MUNISIPALITEIT GEORGE MUNICIPALITY



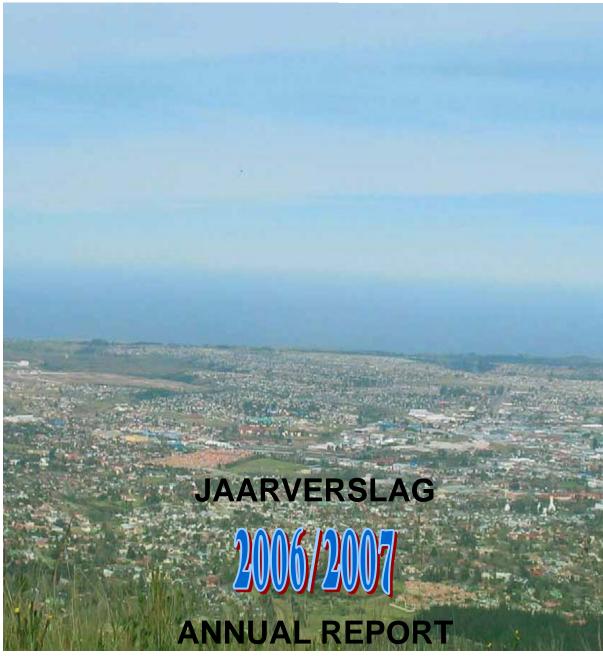
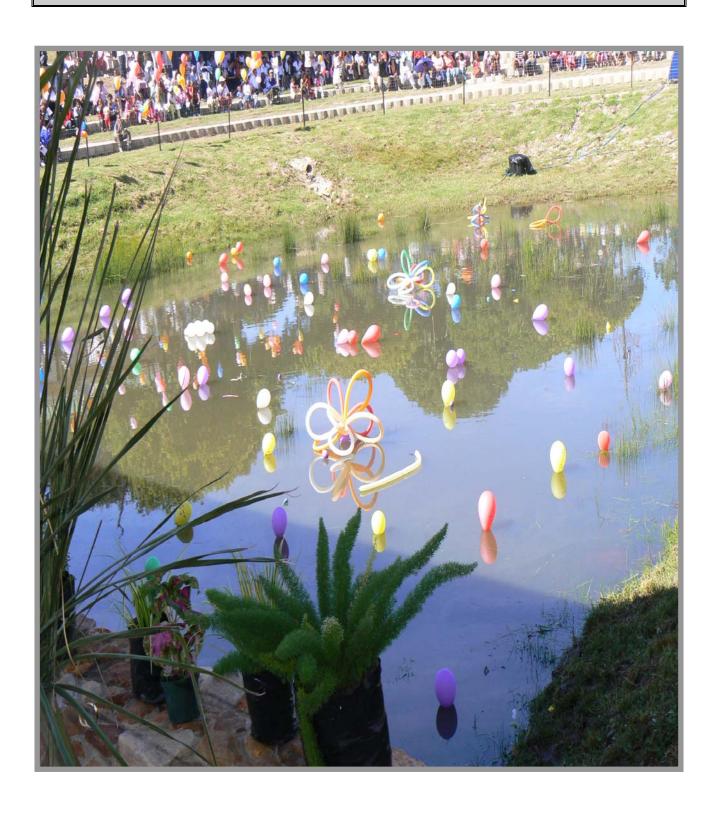


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1. Inleiding en Oorsig Introduction and Overview



1.1 FOREWORD BY THE EXECUTIVE MAYOR ALDERMAN BAZIL PETRUS

VOORWOORD DEUR DIE UITVOERENDE BURGEMEESTER, RAADSHEER BAZIL PETRUS

George is the established administrative and regional hub of the Southern Cape region, which is rapidly developing into the next metropolis of the Western Cape Province.

The financial position of the George Municipality is presently sound enough, not only to have been able to provide and deliver all the essential services required by our citizens in 2007, but we also managed to successfully engage, finance, conclude and start several new dynamic projects to improve and expand infrastructure in order to facilitate further growth, attain very significant successes poverty in reduction whilst addressing the needs of our indigent population through local economic development and continuation of highly effective, labour intensive, capital works programmes supplemented by the mobility strategy recently launched in George by the Department of Public works, that has the potential to revolutionize the demographic development of George within the foreseeable future.

The noticeable confidence demonstrated in George through significant and continued investment by industrialists, developers and entrepreneurs in the Private Sector as well as the Public Sector, is very encouraging and promising for the

George is reeds gevestig as die administratiewe en streek sentrum vir die Suid-Kaap, wat vinnig besig is om te ontwikkel in die volgende metropolis van die Wes Kaap Provinsie.

Die finansiële posisie van die George Munisipaliteit is huidiglik kern gesond genoeg om nie alleen in die noodsaaklike munisipale diensleweringsbehoeftes van die inwoners in 2007 alleen te kon voorsien nie, maar kon daar ook geslaag word om 'n aantal dinamiese projekte te identifiseer; te inisieer; te finansier en suksesvol te implementeer, wat die infrastruktuur in George beduidend opgradeer en verbeter het asook 'n verskeidenheid maatskaplike suksesse wat behaal is om armoede te verlig en om in die behoeftes van armes te voorsien, wat bereik is deur plaaslike ekonomiese ontwikkelingsinisiatiewe kapitaalwerkeprogramme, volgehoue aangevul deur die mobiliteitstrategie wat bekend gestel en geloods is deur die Departement van Openbare Werke en Vervoer, wat die potensiaal bied om revolusionere verbeteringe binne die demografiese ontwikkeling van George binne afsienbare die toekoms te bewerkstellig.

Die sigbare vertroue wat in George gestel word deur volgehoue investering deur nyweraars; ontwikkelaars en entrepreneurs in die Privaat Sektor sowel as die Publieke Sektor, is duidelik belowend en bemoedigend vir die toekoms. Die beleid van George Munisipaliteit sal wees om

future. We will continue to recruit new investment both nationally as well as internationally, through the selective establishment of potentially valuable bilateral relations with other cities which can be beneficial to George. The George Municipality will vigorously endeavour to perfectly align service through effective delivery implementation and management of our S.D.B.I.P. (Service Delivery Budget Implementation Plan) to improve the quality of living of all our citizens; embodied in a multi racial, integrated and democratic society.

I hereby wish to give recognition and acknowledge with gratitude, the significant inputs and valuable contributions made by all Councillors during 2007 and wish to express my appreciation gratitude for and management competent services rendered by the Municipal Manager; the Senior Managers and other officials for the service excellence produced in executing Council decisions.

It is indeed an honour and privilege to herewith introduce you to the detailed, George Municipal Annual Report for 2007, depicting budgeted and actual revenue and expenditure for the year under review, which adequately provides sufficient evidence and proof of the fact that George Municipality is providing "George, the city for all reasons" with equitable, sustainable and efficient service delivery, for all it's citizens!

ALDERMAN BAZIL PETRUS EXECUTIVE MAYOR

deurlopende rekrutering van belegging op nasionale sowel as internasionale vlak aan te moedig en verwelkom deur die vestiging en uitbouiing van selektiewe bilaterale betrekkinge met ander vergelykbare stede wat voordelig vir George kan wees. George Munisipaliteit met energie wil volhou doelgerigtheid, deurlopend om gehalte dienslewering te verbeter d.m.v. verantwoordelike. die doeltreffende bestuur van die Dienslewering Begroting Implementerings-plan (D.L.B.I.P.) sodat die lewenskwaliteit van al die inwoners, van veelrassige, ge-ïntegreerde ons en demokratiese gemeenskap gehandhaaf en verder verhoog kan word.

Ek wil hiermee graag erkenning gee en met dankbaarheid getuig van die belangrike en bydraes gelewer positiewe deur Raadslede in 2007. Ek wil bevestig en ook my dank en waardering uitspreek teenoor Bestuurder Munisipale Senior en Bestuurders sowel as ander amptenare, vir die uitmuntende dienslewering ontvang en vir die onbaatsugtige opofferinge gemaak, in hul uitvoering van die besluite geneem deur die Raad.

Dit is inderdaad my voorreg en eer om hiermee die George Munisipale Jaarverslag vir 2007 aan u bekend te stel, wat die begrote sowel as werklike inkomste en uitgawes vir die jaar onder oorsig stipuleer, onteenseglik bevestig en wat bewyse feit verskaf van die dat George Munisipaliteit bekostigbare, volhoubare en effektiewe dienslewering bied aan al die inwoners van " George, die stad vir alle redes!"

RAADSHEER BAZIL PETRUS UITVOERENDE BURGEMEESTER



1.2 OORSIG VAN MUNISIPALE BESTUURDER MUNICIPAL MANAGER'S OVERVIEW

INTRODUCTION

Another year of developing new strategies, improving skills, increasing service delivery and generally improving ourselves to excel in Local Government has come to pass. We look back at all the challenges we faced, as we close yet another Chapter in the history of one of the fastest growing towns in the Western Cape and how we managed them together with many opportunities.

This is where our employees build individual and organisational competencies to ultimately increase the performance and long term sustainability of our Town and improve on service delivery all the way.

BACKGROUND

Having taken the bold step of streamlining the organisation, similar services were clustered together. Through restructuring the senior management structure, increasing from seven to nine with eight smaller departments as opposed to six oversized unmanageable departments, driving delivery has become easier.

A continued growth in Customer Satisfaction levels and the increased Staff Compliment, which is not always commensurate with the growth of the Town, must by necessity show very positive results indeed. We have moved much closer to our Clients, understanding and aligning ourselves with their own objectives and needs.

The road behind us was not an easy one and the one ahead of us will not be any easier either, but with the expertise of dedicated men and women, in spite of the many skills shortages in specific fields, we will and have done so in the past year, weathered the storms, literally and figuratively speaking. There is some difficulty involved in finding the right people to fill important positions, especially on the technical side. Without the right people, service delivery suffers. We are currently addressing this problem.

Our swift actions during the major floods experienced in the early part of the financial year have proven that we are not only prepared and competent, but more importantly, willing to show real compassion during times of disaster.

At this juncture I want to salute all roleplayers from National, Provincial and Local Governments, Disaster Management Agencies, Rescue Services, the business sector and the public sector at large for their support during the floods of 2006/2007.

YEAR UNDER REVIEW

The George Municipality has zoomed in on Social and Economic Development and Environmental Management of the entire city. The Administration has fully implemented the Batho Pele principles which were adopted by Council. The scene has been set and the momentum is in place for improved service delivery, greater responsiveness and increased accountability.

The broad development strategies and targets are contained in the respective masterplans, which, in turn, are enshrined in the IDP. Major projects are in place and in the year under review, Building Plans with a building value in excess of R 684M were approved with a total of more than R 3M collected in Building Plan fees, which heralds robust economic growth in George. The value of Building Plans approved in any Financial Year in any Municipality must surely indicate a healthy economic growth. Major projects are, inter alia, Kraaibosch, Blue Mountain, Lagoon Bay and Destiny Africa. This is evident by the increasein Town Planning applications by more than 120%.

Essentially, the IDP has been (and should always be) compiled with a strong focus on service delivery and infrastructure investment with the aim to achieve strategic development goals. In the process we have pursued a more practical IDP, which is holistic in order to enhance municipal performance. The IDP is practical in the sense that ideally it focuses on:

- Dealing with backlogs
- LED initiatives
- How to alleviate poverty
- Socio economic development
- SDF
- Effective use of scarce resources
- Sustainable development
- Coordination between all spheres of Government
- Developing Municipal capacity within the IDP framework.

The successful implementation of the IDP was achieved through the bottom up approach, namely

- Full community participation
- Strengthening community structures
- Engaging local residents
- Providing accountable, transparent and fair representation
- Ensuring a consultative and sustainable process throughout.

The establishment of 20 Ward Committees makes it a lot easier to respond more speedily to the Community's needs and aspirations and provide a firm form of support to ensure fair and equitable service delivery.

We strive through the IDP, LED and SDF to bridge the gap between rich and poor through job creation, tourism, property investments and release of land for housing for the poor. An LED Charter, the first in the Country, was launched recently to make Local Economic Development a reality rather than a dream.

I can boast of a strong and sound Administration that is geared to fulfilling the needs of the Town with great diligence. Currently the Staff Compliment is 1017. We place a high premium on the Communities we serve. R 229,611,998.00 capital budget was spent mainly on infrastructure maintenance and upgrading while R 509,649,981.00 was spent on operational matters.

George is known for striving to become the Sports Mecca of the Garden Route and, as such, has been hosting the International IRB Sevens rugby tournament for three consecutive years. It also hosts the annual Outeniqua Wheelchair race annually - the only one of its kind in South Africa! These and many more make people aware of the benefits of Sport to Society, besides the economic injection it brings.

The George Municipal Administration commits itself to:

- Equal access to services for all;
- Ensuring that Trust and Confidence prevail;
- Remaining transparent and accountable;
- Insisting on best practices for optimal service delivery;
- Sound financial management;
- Striving towards optimal Local Economic Development with the emphasis on job creation;
- Striving to create a platform for change;
- Corruption-free administration.

CHALLENGES FACING THE GEORGE MUNICIPALITY

a) Political Stability

It is a known fact that political instability inevitably causes administrative instability. The challenge is to ensure continued, sustainable political will and leadership.

b) Skills Scarcity

It is not unique to George and the problem is exacerbated by the high cost of property in George. New recruits cannot afford housing in George. Furthermore, salaries are not competitive. The issue is being researched at present.

c) Flooding

The Town experiences high incidents of serious floods, with often far-reaching implications and funding is often needed to remedy the situation. The challenge is to improve Inter-Governmental coordination and to enforce stricter bylaws and Town Planning regulations.

d) The NIMBY Syndrome (Not In My Back Yard)

A major problem is some development of affordable housing closer to economic opportunities, but property owners oppose this vehemently in terms of NIMBY, a world-wide phenomenon that effectively keeps such developments at bay. Revised Town Planning regulations and a more credible SDF should be put in place

e) Unqualified Audit Report

The aim is to strive towards an unqualified Audit Report by addressing the issues around Property, Plant and Equipment. I realise this will not and cannot be resolved overnight. However, the matter is being attended to.

LEGAL IMPERATIVE

In terms of Legal Frameworks, the Municipality must, for each financial year, prepare an annual report in accordance with Section 46 of the Systems Act of 2000 and Chapter 12 of the Municipal Finance Act no. 56 of 2003.

This report was compiled in relation thereto:

- A record of activities during the financial year;
- Record of performance against the budget of the Municipality;
- Provide accountability to the local communities for decisions made throughout the year;
- Annual financial statement for the year;
- Auditor General's annual report in terms of Section 126 (3) of the Municipal Finance Act and Section 45 (b) of the Municipal Systems Act;
- And Section 3 (a-k).

Furthermore:

In terms of Section 72 of the Municipal Finance Management Act, 2003 Act 56 of 2003, the Accounting Officer must:

Assess the performance of the Municipality during the first half of the financial year, taking into account the following:

- the monthly statements, detailing the expenditure on capital projects, income and expenditure;
- the municipality's service delivery performance during the first half of the year and service delivery targets and performance indicators set in the service delivery budget implementation;
- the past years' annual report and progress on resolving problems identified in the annual report.

Dit is net teleurstellend dat die George Munisipaliteit weereens 'n Gekwalifiseerde Ouditverslag ontvang het. Dit was steeds te wyte aan die oorskakeling na die nuwe rekenkundige raamwerk wat in die Munisipale Finansiële Bestuurswet (Wet 56 van 2003) voorgeskryf word. Die mening van die Ouditeur Generaal is egter dat die finansiële state wel die finansiële posisie van George Munisipaliteit weerspieël soos op 30 Junie 2007.

CONCLUSION

Appended below is a full account of the services rendered by each respective Senior Manager.

I submit this overview in appreciation of support rendered by all Councillors and the loyalty, cooperation and hard work. I enjoy from my staff.

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## 1.3 OVERVIEW OF THE MUNICIPALITY AND DEVELOPMENT PLANNING

#### OVERVIEW OF THE MUNICIPALITY

In 1782 the French traveller and author, Francois le Vaillant visited Outeniqua land where George is situated today. He described the vista from the mountain when he overlooked the area as follows in the Dutch language:

"Bloemrijke velden en de Schoonste weiden zetteden dit heerlijk landschap nog meerder luister bij. Ik was waarlijk opgetogen van Verrukking..." (Taken from "George: The story of the Town and District" by E.L.P. Stals published by the Municipality and Divisional Council of George in celebration of the hundred and fiftieth anniversary of George, 1961.)

George is still a place richly bestowed with natural beauty. To conserve this beauty and to make provision for the unparallelled growth and development which the area is experiencing, create challenging demands on the City Council, the Municipality and all residents.

#### Geography

George is situated in the Western Cape Province, more or less mid-way between Cape Town and Port Elizabeth. The Municipal area is 1 068 square kilometres in extent and includes the following:

- 1. The City of George;
- 2. The Villages of Wilderness and Herold's Bay;
- 3. Various coastal resorts including Victoria Bay, Kleinkrantz and the Wilderness National Park:
- 4. Rural areas such as at Wilderness East, Geelhoutboom, Herold and Waboomskraal.

#### Demography

The population growth rate of George increased to 4.6% per annum between 1996 and 2001, which is way ahead of the average population growth rate of the following for the same period:

- 2.7% of the Western Cape Province;
- 2.5% of the Cape Town Metropole:
- 3.6% of the Eden District.

#### **Critical Challenges**

The present population is estimated at approximately 166548 and 170 000 residents.

The provision of basic services to all residents does not only depend on available resources, but as the spatial development framework, also with the provision of housing to a growing population.

Although approximately 95% of all households in the urban areas have access to basic services, there are still specifick challenges which make the objective of 100% unattainable in the short term. These are the following:

- New environmental legislation which became effective before municipalities had the time to appoint the required skilled staff to bring projects in conformity with the requirements. Various projects are being delayed because the required environmental impact studies have not been approved as yet. An environmentalist was appointed in the mean time, but a backlog of approximately one thousand households was created.
- The transfer of land from the provincial administration still takes years to finalise and a further approximately 1 000 households are affected.
- The Municipality's staff structure still shows a shortage of approximately two hundred staff members which is delaying the planning and execution of projects.
- The provision of basic services in rural areas is a particularly complex issue. A survey to
  determine the real situation of farm workers, was completed in conjunction with the
  Eden District Municipality. The next step in the process, is the pro-active planning to
  provide basic services.

#### DEVELOPMENT PLANNING

According to the Municipal Systems Act of 2000, all municipalities have to undertake an integrated development planning process to produce integrated development plans (IDPs). As the IDP is a legislative requirement it has a legal status and supersedes all other plans within the George Municipality that guide development at local government level. The Integrated Development Planning (IDP) process for the 2006/07 financial year was characterized by a distinctive five phase approach, namely:

- Analysing community needs;
- Strategy development to address identified needs;
- Project development to realize developed strategies;
- Integration of various directorates to reach a common goal; and
- Approval of the finalized document

These characteristics will form the basis of this report.

#### 1. ANALYSING COMMUNITY NEEDS

Integrated development planning is not a function of the municipality's Planning Department. Everything that all departments do including financial services and human resources, has to be guided by the municipality's management tool which is the IDP. As a result all departments have to get directly involved in the integrated development planning process."

#### Role of the Officials: George Municipality

Engagement sessions regarding the IDP were held through pre-workshops sessions during January 2007. Directors, and in some cases Portfolio Councillors as well as senior managers and staff, were part of these sessions in preparation for the first IDP Strategic

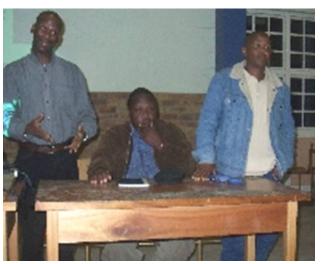
Workshop held on 26 January 2007. During these sessions officials had the opportunity to give input on the role of the IDP at the George Municipality, what gaps existed and how the document could be amended for compliance to legislation and other policy directives. These sessions were focused on each directorate, highlighting their reason for existence, key performance areas and subsequent key performance indicators, using service and development backlogs and community input as a guide.

Officials, through the IDP and Budget Report back sessions, also had an opportunity to comment on the draft IDP prior to its adoption.

#### The municipal stakeholders

The IDP is about determining the stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life. Community and stakeholder participation in determining those needs is therefore at the heart of the IDP process. The Constitution and the Municipal Systems Act clearly stipulates that the municipality must mobilise the involvement

and commitment of its stakeholders by establishing an effective participatory process."



Two stakeholder engagement sessions were held the first was during September 2006 and the second during April-May 2007.

#### The stakeholder groups were:

Community, Management, Councillors, Agriculture, Business, Welfare and Environment

Terms of Reference for Stakeholder Sessions:

To ensure interaction and involvement of the broader community in the development and implementation of the IDP

#### The Process: Stakeholder engagement:

There was a concern regarding effective Community participation during September 2006, due to the floods that hit the area, which subsequently resulted in poor attendance in certain areas. A public participation plan to remedy the situation was drafted and inputs from the

community were given further consideration during the feedback sessions held in April 2007 and subsequently included in the Budget. All consultation sessions took place according to plan and the Councillors of the George Municipality were very passionate about creating a



credible document which resulted in three Strategic Workshops in order to achieve this.

The IDP Representative Forum also played a key role in the review process of the current IDP. The representative forum is currently under review to play a more effective role in the IDP process in order to fast track the implementation of developmental priorities through its advisory role. Stakeholders have already been identified and a draft terms of reference has been prepared.

#### Provincial and National sector departments

The IDP should serve as a guide when sector departments allocate their resources at local government level. At the same time, the municipality should take into consideration the sector departments' policies and programmes when developing its own policies and strategies. It is in the interest of the sector departments, therefore to participate in the integrated development planning process to ensure that there is alignment between its programmes and that of municipalities.

### Role of Provincial and National sector departments in the IDP Process: George Municipality

Currently LGMTEC sessions are being held with Municipality's. The purpose of these sessions is to determine the credibility of the relevant IDP as well as to assist Municipality's with their IDP Process. George Municipality is represented on the IDP Manager's Forum to ensure alignment to the District Municipality's IDPs as well as improved intergovernmental relations and knowledge sharing for effective planning. A highlight on the IDP calendar was the international IDP conference held in Cape Town during March 2007, which also promoted effective knowledge sharing by all IDP counterparts.

#### 2. STRATEGY DEVELOPMENT TO ADDRESS IDENTIFIED NEEDS

Role of the Councillors: George Municipality

"Councillors have to play a leading role in the IDP process. Not only is the IDP a mechanism through which they have to make decisions, it also contains their constituency's needs and aspirations. Councillors have to participate therefore to ensure that their communities' issues are well reflected and addressed.



Three strategic workshops were held with Councillors as well as Management (Directors and first line Managers) concerning strategic issues relating to the IDP. These were as follows:

26 January 2007: 16 February 2007:

Situational Analysis of Our IDP Aligning to the 'ABC of IDPs' document supplied by the Western Cape Provincial Government with specific emphasis on complying with

the credible IDP indicators.

21 February 2007: Ensuring that the needs of the community are met through the Vision and Key Performance Areas of the Institution.

These workshops have set the tone for a deepened debate regarding the IDP of the George Municipality. It should be noted that at the workshop held on 21 February 2007 the Vision as changed and Key Performance Areas of the Institution were amended to fully align with those of National Government.

The Developmental Priorities as set out in the IDP are thus:

- Service Delivery
- Local Economic Development
- Financial viability
- Municipal transformation and Institutional Development
- Good Governance

#### **Future role of Councillors**

The abovementioned sessions were held with permanent Councillors and it is envisaged that training on the IDP and IDP related matters be done with all councilors through the ward committee structures.

These sessions, due to certain contstraints only took place during the new financial year in September 2007.

#### 3. PROJECT DEVELOPMENT TO REALIZE DEVELOPED STRATEGIES



Each Directorate developed projects to address the needs as identified by the stakeholders. A budget document indicating the needs as well as the applicable directorate responsible for addressing those needs was made available by the Strategic Planning as a guide. **Directorates** confirmed at a pre-budget meeting that those needs were addressed in their respective chapters. The IDP for the 2006/07 financial year produced 'first' for George a

Municipality through the inclusion of Chapters for various Directorates clearly identifying the reason for existence as well as the Directorates objectives to achieve the Developmental Priorities and ultimately the Vision. Executive summaries of the sector plans were also included in the chapters of directorates which are responsible for its execution. The sector plans included are:

- Disaster Management;
- Local Economic Development;
- Draft Spatial Development Framework;

- Transport Plan
- Housing Plan
- Financial Plan; as well as the
- HIV and Aids Strategy

Projects were also developed as per the 'credible IDP indicator' guide provided by the Western Cape Provincial Government: Local Government and Housing Department.

#### 4. INTEGRATION

Projects were developed, as previously mentioned, in line with strategies and objectives, the resource framework and also in compliance with legal requirements. A major challenge in project development and implementation remains a lack of financial and operational resources such as staff. The George Municipality also furthered integration by clearly indicating how the IDP for the 2006/07 has ensured the Municipality's alignment to:

The Provincial Growth and Development Strategy, iKapa Elihumayo; and The National Spatial Development Perspective.

#### 5. APPROVAL OF THE IDP

The IDP draft document was adopted on the 28 March 2007 with minor input from the community. The public was granted its day period for comment on the IDP. Gaps were identified and addressed for the final draft which was adopted on 29 May 2007 at a full Council meeting. The public was duly notified of the adoption of the IDP and its availability at Ward Councillor's Offices as well as at Municipal Libraries and the Strategic Planning Unit.



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#### ACHIEVEMENTS OF THE IDP FOR 2006/07 COULD BE SUMMARIZED AS FOLLOWS:

Improved public participation and stakeholder involvement in the analysis phase of the IDP;

- A credible IDP document;
- Development of a clearly defined statement of intent document aligned to Provincial and National directives: as well as
- An IDP which addresses the needs identified by its community.

#### CHALLENGES FACING THE GEORGE MUNICIPALITY WITH REGARD TO THE IDP

Staff shortages:

Budget constraints; and

Accurate statistics:

#### CONCLUSION:

The draft IDP was approved on 28 March 2007 and the final IDP was adopted at a Council meeting held on 30 May 2007, after an analysis of the service delivery and development needs, as identified by Stakeholders. The IDP approved IDP document serves as a guide and is the single, inclusive and strategic plan for the municipality. Consideration was given to National and Provincial directives with the Municipal Systems Act of 2000 being the guideline for the development and review of the IDP.

A Spatial Development Framework Executive Summary is included in the IDP, although still in draft format. However, Community needs were prioritised as per ward clustered public participation sessions. All sector plans, as prescribed, were included in the relevant chapters of the IDP as an executive summary.

#### WAY FORWARD FOR THE IDP PROCESS

The George Municipality has developed and IDP during a very challenging period due to the appointment of IDP Staff during the IDP Process (September and October 2007). This however, has not influenced the development of a credible document. During the 2007/08 financial year the George Municipality will improve on its IDP as well as intensify its long term strategy so as to achieve its Vision.

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1.4

REPORT OF THE CHIEF FINANCIAL OFFICER FOR THE YEAR ENDED 30 JUNE 2007

1. INTRODUCTION

During the previous financial year, 2005/06, municipalities classified as high capacity municipalities were for the first time fully confronted with the implementation of financial statements with the basis of accounting being the financial standards applicable internationally in the private sector.

This resulted in the majority of municipalities receiving qualified audit reports from the Auditor-General and as was the case in George Municipality, these qualifications were of a very technical nature. The conversion from the previous standards required information and processes that were not readily available previously and in some instances did not on a value for money basis warrant implementation.

National Treasury promulgated exemptions from some of the accounting standards in Government Gazette No. 30013 dated 29 June 2007. Although welcomed by the majority of municipalities, the exemptions granted did not cover all the standards and some of the exemptions granted were "easier" to comply to than some of the exemptions not included in the Gazette!.

Lack of communication between the National Treasury, the Accountant-General and the Auditor-General also materialised and gave reason for a vast number of uncertain and unresolved issues.

Communication was forthcoming from the National Treasury and the Accountant-General up to as late as 17 August 2007. This resulted in putting tremendous strain on management to finalise the financial statements on time as stipulated in the Municipal Finance Management Act (MFMA).

It must however be accepted that the environment wherein financial statements are to be compiled in future is, contrary to the believe that statements are stagnating, evolving continuously. International standards are introduced annually and to keep abreast and apply these international standards is not an easy task.

To therefore expect municipal financial officers to abide by all these standards within the very short time expected by the Auditor-General and National Treasury will be a constant challenge.

In my report for 2005/06 the following statement was made:

"Prior to the start of the 2005/6 financial year it could be stated that the South African economy was the strongest in years with low inflation rates, high consumer confidence, a strong currency, low interest rates, a decrease in unemployment, reasonable taxation on individuals as well as businesses, etc. All these factors contributed to an environment in which the financial environment could prosper. In times like these, it was important to invest in infrastructure and to speed up the process of catching up with backlogs as far as municipal services infrastructure was concerned.

George is different to most other local authorities as far as the backlog is concerned and the main challenge of the municipality is not merely addressing backlogs, but to maintain and extent current infrastructure to such an extent that the demand of the above normal development in the municipal area is addressed.

This placed an enormous strain on available internal funds and it was therefore unavoidable to utilise external funding sources to meet the demand. The municipality fully realises the additional burden of capital charges and is constantly involved in a balancing exercise between tariff increases, growth income projections and other financing alternatives. The main concern being the affordability of municipal services for the consumer."

Considering this statement in 2006/7 not much has changed!

The changes that did however occur placed even more pressure on the limited funds. Interest rates were under constant pressure and actually increased during the financial year and did not only affect the cost at which the municipality obtained capital funds on the capital market but also had an influence on the affordability of municipal services for the consumer as the consumers' money in his/her pocket also decreased.

The demand to extend current infrastructure in order to ensure that the above normal development in the municipal area is addressed remains a constant challenge for the municipality and the efforts can be seen in what is really visually materializing in the city as well as the excellent financial results that were achieved.

Therefore the involvement of all role-players remains essential to the extension of the successes achieved and as stipulated in the MFMA, the budget for 2006/07 was discussed widely with the community, community structures, non-governmental organs, the district council and political leaders. This enabled the Council to set the strategic and political direction via the Integrated Development Plan and the budget.

It must also be admitted that there are still vast areas where planning, strategising, participation, etc. can be improved to ensure that the going concern status of the municipality can even be improved on. What a challenge for all role-players involved!

The results regarding revenue are still being challenged by the ability of a large portion of the consumers to pay for municipal services. Unemployment remains an alarming reality. The payment rate measured against levies per month is in excess of 96% and compares favourably with other performing municipalities. Innovative changes in the indigent policy of the municipality and increased efforts to encourage indigent consumers to be registered as such will further assist in achieving higher targets.

Categorically it can be stated that George Municipality is still an excellent going concern and it will remain as such for the foreseeable future. The individual performances will be discussed in the next portions of the report.

NOTE: ALL APPENDIXES AND NOTES REFERRED TO ARE APPENDIXES AND NOTES AS REFLECTED IN THE FINANCIAL STATEMENTS.

2. REVIEW OF OPERATING RESULTS

The overall operating results for the year ending 30 June 2007 as well as the comparison with the budgeted figures and the actual results of 2006 are reflected in the following table:

Description	Budget	Adjusted Budget	Actual	Variance Actual as %	Actual
	2007	2007	2007	of Adjusted	2006
	R000	R000	R000	Budget %	R000
INCOME	KUUU	KUUU	RUUU	70	RUUU
Operating income	509 649	529 832	600 718	13,4	521 556
EXPENDITURE					
Operating expenditure	509 458	529 656	509 511	-3,8	433 407
Closing surplus	191	176	91 207		88 149

(Refer Appendix D1)

Details of the operating results per department and classification of income and expenditure is included in Appendices D and E in the actual annual financial statements.

The improved surplus is mainly the effect of higher-than-expected income, due to the fact that all grant funding for capital expenditure have to be reflected in the operating results, as well as lower-than-expected spending.

The grant funding for capital expenditure was not budgeted as such and therefore mainly resulted in the extreme surplus.

The various contributors will be highlighted further in the report in section 4.

3. OPERATING EXPENDITURE 2006/2007

The following table reflects a breakdown of the expenditure per grouping for 2006/07 against the budget for that year as well as the actual figures of the previous year for comparison purposes:

EXPENDITURE	Budget 2007	Adjusted Budget 2007	Actual 2007	Variance Actual / Adjusted Budget	Actual 2006
	R000	R000	R000	%	R000
Remuneration	153 078	150 684	142 638	-5.34	114 107
General expenses	351 005	372 384	371 464	-0.25	325 162
Repairs & maintenance	50 594	57 649	55 062	-4.49	50 394
Capital charges	22 088	21 881	14 398	-34.20	8 903
Contributions to capital	1 518	2 707	2 258	-16.59	3 242
Contributions to reserves	15 203	1 053	0	-100.00	1 020
Less: Amounts charged out	-84 029	-76 702	-76 309	-0.51	-69 421
Net expenditure	509 457	529 656	509 511	-3.80	433 407

(Refer Appendix D1)

3.1 REMUNERATION vs. OPERATING EXPENDITURE

Staff expenditure reflected as a percentage of the total net expenditure shows an increase from 26,3% in 2005/2006 to 27,9% in 2006/2007. This comparison is within the acceptable norm in local government of 35%.

The under-spending of R8,05 million on remuneration compared to the adjusted budget can mainly be attributed to savings realised from vacancies.

3.2 GENERAL EXPENDITURE

The main expenditure types which influenced the difference between budgeted and actual results are numerous as this section comprises of a vast variety of expenditure items. There are items where savings were achieved and items where over-expenditure occurred.

Proper budget control and virement between expenditure items, in accordance with the approved policy, resulted in a variance of only 0,25% between the adjusted budget and actual results and 5,83% between the original budget and actual results.

The 5,83% represents a variance of R20,5 million.

3.3 GENERAL EXPENDITURE: BULK PURCHASES

The variance between the estimated electricity purchases of R78,5 million for 2006/07 and the actual of R80,8 million was 2,9% or R2,3 million and can be attribute to growth in consumption of electricity.

3.4 REPAIRS AND MAINTENANCE

This category resulted in a total saving of 4,49% between the adjusted budget and actual results and an over-expenditure of 8,83% between the original budget and actual results.

The main contributor to the over-expenditure between the original budget and the actual results can be attributed to additional repair and maintenance required due to the flood damages.

The fact that only 10,8% of total expenditure is allocated to this category will acquire further attention especially when the annual increase in plant, property and equipment is considered.

3.5 DEPRECIATION

Depreciation as an operational expenditure was implemented during the financial year 2004/2005 and mainly replaced capital charges (internal interest and redemption). Increased contributions from the capital replacement reserve (CRR) and grants and donations to finance capital expenditure in the place of external loans are the main reason that there was a variance of 25% between the original budget and the actual results.

3.6 CAPITAL CHARGES

The net result of capital charges reflected a saving of R7,5 million and can be attributed to the delayed taking up of external loans as well as the utilization of internal funding from the internal CRR funds.

The transfer of surplus unallocated funds to the CRR resulted in only R93,1 million external loans taken up in 2006/7 and not the R128 million as anticipated in the original budget.

3.7 CONTRIBUTIONS

Anticipated budgeted contributions to be made to funds and reserves had to, in accordance with the financial standards, be treated different than originally budgeted.

The contributions made to funds and reserves were allocated from the heading "Appropriations".

The amounts contributed to the funds and reserves represents the actual capital contributions made by developers during the financial year as well as additional contributions Council approved to be transferred from unallocated cash reserves from time to time.

During the financial year contributions in the amount of R27,4 million were received by the municipality (R15,2 million was budgeted), reflected as income received and appropriated to the relevant funds and reserves.

Council approved that a further amount of R39 million be appropriated from unallocated cash surpluses towards the CRR funds and reserves.

These appropriations are reflected in the surplus attained in 2006/7 of R91,2 million and when excluded from the surplus reduce the actual surplus to R24,7 million.

The net surplus will be outlined later in the report.

3.8 LESS: CHARGE OUT

The decrease in overall expenditure in service delivering departments resulted in the decrease of amounts charged out for services rendered by these departments.

There will be amendments made to the basis used to determine the actual charge out as additional cost centers were added during the financial year that affected the charge out amounts.

4. OPERATING INCOME

Income per income category is as follows:

INCOME	Adjusted Budget	Actual	Variance Actual /	Actual
	2007	2007	Adjusted	2006
			Budget	
	R000	R000	%	R000
Assessment rates	105 419	106 885	1.39	96 448
Electricity	164 323	174 314	6.08	160 777
Water	55 578	78 474	41.20	64 887
Sewerage	42 269	47 187	11.64	40 459
Cleansing	26 269	28 020	6.67	25 197
Interest earned	24 283	26 622	9.63	22 550
Operating grants	63 423	57 111	63.92	39 478
Capital grants		46 855		
Other income categories	48 269	35 252	-26.97	54 298
Total income	529 833	600 719	13.38	504 094

(Refer Appendixes D5 and E1)

The total income includes an amount of R46,9 million as capital grants that was not budgeted for but according to the new accounting standards had to be included as income. Excluding this amount the percentage increase was 4,54% between the budgeted and actual results.

This fact will influence all the various income categories as such.

The following are reasons for some of the variances:

4.1 ASSESSMENT RATES

The increase of 1,39% between the adjusted budget and actual results is a clear indication that all the anticipated rates were levied.

Actual assessment rates increased with R10,4 million, or 10,8% from 2005/6 to 2006/7 indicating a sound growth in the development and sale of property in the city.

4.2 ELECTRICITY SERVICES

The increase of 6,08% between the adjusted budget and actual results can mainly be attributed to the capital grants received.

Total revenue for this service increased with R13,5 million, or 8,4%, from 2005/6 to 2006/7 also indicating a sound growth in the sale of electricity due to growth and subsequent increased demand.

4.3 WATER SERVICES

The capital grants to the water section amounted to R14,3 million and capital contributions increased to R8,2 million. Taking that into consideration the variance was 8,45% and can also be attributed to growth in sales, improved metering and lower distribution losses.

4.3 SEWERAGE SERVICES

The variance can be attributed to increased usage, growth and capital grants.

4.4 CLEANSING

The variance is mainly due to capital contributions received in the amount of R1,4 million not budgeted for.

The total revenue for this service increased with R2,8 million, or 11,3%, from 2005/6 to 2006/7.

4.5 INTEREST EARNED

Interest earned was underprovided. The rational is to where possible allocate interest income rather to strengthen the statutory funds and capital replacement reserves than to utilise interest earned to finance operational expenditure.

Interest earned increased with R4,7 million, or 18%, from 2005/6 to 2006/7 indicating sound investments procedures and increase in available funds.

4.6 OPERATING AND CAPITAL GRANTS

Operating grants increased with R17,6 million, or 44% due to an increase in equitable share allocations and housing funds received.

Capital grants received increased during 2005/6 was not allocated correctly and amounted to R18,5 million. This amount increased to R46,8 million during 2006/7.

4.6 OTHER INCOME CATEGORIES

Due to changes in the allocation of income allocated to this category due to the implementation of the new financial standards of GAAP and GAMAP, a comparison will not reflect the true position.

5. MUNICIPAL EXTERNAL DEBT

At the end of the financial year the amounts borrowed and outstanding were as follows:

TYPE OF DEBT	BALANCE AT 30/06/2006 R000	RECEIVED	REDEEMED	TRANSFERRED	BALANCE AT 30/06/2007 R000
Stock	2 217		2 217		0
Annuity loans	139 743	93 100	5 528		227 315
Lease liability	39	636	185	3	493
Other loans	8 997		276		8 721
Total loans	150 997	93 736	8 206	2 658	236 529

Loans to finance the 2006/2007 Capital expenditure in the amount of R93,1 million were raised during the financial year under review.

The full details of the individual loans are reflected in Appendix A in the financial statements.

6. ACCUMULATED STATUTORY FUNDS AND PROVISIONS

Details of the distributable reserves and provisions are stated in Notes 1, 2, 6, 7 and 8 of the financial statements and are, inter alia, reflecting the following:

DESCRIPTION	BALANCE AT 30/06/2005 R000	BALANCE AT 30/06/2006 R000	BALANCE AT 30/06/2007 R000
Housing development fund	60 831	64 675	61 589
Reserves	240 661	254 420	320 474
Provisions	0	1 563	586
Creditors	51 430	50 219	81 457
Unspent grants & receipts	17 015	21 220	30 017
Total	369 937	392 097	494 123

In terms of legislation, surpluses in distributable reserves are to be invested until required.

The details of the investments are provided in Note 11.

7. DEBTORS

Details regarding the debtors are provided in Note 12 (Long-term debtors) and Note 14 (Other debtors).

The decrease showed in long-term debtors mainly lies with housing loans, vehicle loans and sale of property as well as the provision for bad debts that had to be implemented for the first time to comply to the new financial accounting standards.

			2007	2006
LONG-TERM DEBTORS	Gross	Provision For Bad	Net	
	Balances	Debt	Balance	
Housing loans	13,219,030	8,068,599	5,150,431	14,444,574
Vehicle loans	335,898	0	335,898	1,694,090
Loans to Organisations	822,377	0	822,377	939,388
(Section 185A /Ord.				
20/1974)				
Sale of property	1,315,560	0	1,315,560	2,887,916
Computer loans	41,154	0	41,154	84,033
Zader Loan	192,806	0	192,806	569,855
Victoria Bay -				
Paving/Sewerage Loans	113,204	0	113,204	111,963
Actaris meter costs	4,378,720	4,378,720	0	5,804,685
	20,418,749	12,447,319	7,971,430	26,536,504
Less current portion			-5,658,625	-2,637,934
Total Long-term Debtors		=	2,312,805	23,898,570

Consumer debtors (Refer to Note 14)

The status of consumer debtors is reflected in full in note 14 in the financial statements.

CONSUMER DEBTORS As at 30 June 2007		DEBTORS	Provision for Bad Debts	Net Balance
	e Debtors: Rates Electricity Water Sewerage Cleansing Debtors: General Computerised Debtors Loans Computer Loans	64,122,595 12,305,325 13,480,452 16,557,938 11,519,311 10,259,569 6,447,103 195,342 1,982,283 329	39,545,735 7,588,949 8,313,675 10,211,624 7,104,198 6,327,289 3,976,062 0 1,343,908 0	24,576,860 4,716,376 5,166,777 6,346,314 4,415,113 3,932,280 2,471,041 195,342 638,375 329
Less: Plus:	Housing Rentals Legal fees Masakhane Debtors VAT	629,181 3,639,968 6,299,062 -10,730 6,309,792	387,667 2,244,487 3,891,971 0 3,891,971	241,514 1,395,481 2,407,091 -10,730 2,417,821
Total <u>Less:</u>	Debtors Payments in advance Total Computerised Debtors	76,868,760 -2,891,001 73,977,759	47,413,768	29,454,992
As at 3	30 June 2006			
Service	e Debtors Rates Electricity Water Sewerage Cleansing	70,531,278 15,917,877 10,635,061 18,639,367 13,516,884 11,822,089	54,563,347 11,682,715 3,956,377 15,180,966 12,370,822 11,372,467	15,967,931
	g Rentals Debtors: Loans Other Debtors VAT	771,813 18,331,232 2,338,799 8,963,112 7,029,321	663,774 8,381,609	108,039 9,949,623
Total Less: Total C	Debtors Payments in advance Computerised Debtors	89,634,323 -2,655,315 86,979,008	63,608,730	26,025,593

During the final preparation of the financial statements, the amount provided as a provision to working capital reserve had to be amended in order to comply with the audit observation issued in 2004/05 by the external auditors that read as follows:

"According to the National Treasury Guidelines for the implementation of accounting standards, the following is noted: "On the implementation of the standards, an accurate provision for bad debts must be created. This provision must be realistically based on past payment trends, debtors' past payment trends and the likelihood that the total balance outstanding at the implementation date will be paid. Where it is less probable that consumers will settle their outstanding accounts, a provision should be made. In the past the municipality has had the policy in place to provide for all debtors older than 90 days. This has been based on the fact that the municipality has a strict policy of payment within 30 days, hence making the probability of payment from debtors older than 90 days less than likely. In the course of testing the provision for bad debts, it has come to our attention that the entire debtors book of service debtors and housing rentals have been provided. We propose that only debtors older than 90 days be provided for."

The risk identified by the external auditors was that debts which are recoverable are erroneously provided for, thereby overstating the provision for bad debts and understating the surplus in the statement of performance. In order to comply with this requirement, an adjustment was passed in order to provide only for debtors older than 90 days.

The situation regarding consumer debtors for the past four financial years is as follows:

DESCRIPTION	30/06/2004	30/06/2005	30/06/2006	30/06/2007
Service Debtors	109 560 397	78 551 382	70 531 278	64 122 595
Housing Rentals	2 367 205	1 184 073	771 813	6 447 103
Other debtors		13 585 867	11 301 910	0
VAT	8 734 145	8 150 791	7 029 321	6 299 062
Payment in advance			-2 655 315	-2 891 001
Gross debtors	120 661 807	101 472 113	86 979 008	73 977 759
Less: Provision for Bad Debts	(73 673 145)	(77 921 632)	(63 608 730)	(47 413 768)
Net debtors	46 988 662	23 550 481	26 025 593	29 454 992

Comparing the four years outstanding debtors proved difficult due to the new financial formats and amounts written off during the periods. In general the situation regarding outstanding debtors is gradually improving which indicates that the strict credit control measures introduced by the municipality are slowly turning the tide!

The ageing of debtors for the previous two years:

	30 June 2006	30 June 2007
Current (0 - 30 days)	8 880 077	22 733 338
31 – 60 days	1 704 462	1 959 647
61 – 90 days	1 796 634	1 750 485
91 – 120 days	1 497 710	1 516 983
121 – 365 days	14 166 625	11 626 244
+365 days	<u>46 939 704</u>	<u>34 391 063</u>
·	86 979 008	76 879 491

8. CAPITAL EXPENDITURE AND FINANCING

The Council adhered to guidelines that National Treasury sets for capital expenditure. The Capital Budget was IDP-driven and approved projects were done in terms of the IDP prescriptions.

The expenditure during the year in respect of fixed assets amounted to R203,6 million. It is 40,9% more than the previous financial year.

The variance between the actual result and the adjusted budget is within acceptable norms. When the actual result is compared with the original budget, the variance is -8,47%. This variance is much better than the previous year (15%) but still not acceptable and improved forward planning and project planning by all directorates will have to improve this situation.

The following table shows the distribution of the additions to fixed assets according to the various directorates:

DIRECTORATE	ORIGINAL BUDGET 2007	ADJUSTED BUDGET 2007	ACTUAL RESULT 2007	VARIANCE ADJUSTED BUDGET / ACTUAL
	R000	R000	R000	%
Management& administration	18 672	24 770	21 778	-12.08
Planning & development	29 526	21 358	14 937	-30.06
Health services	1 000	1 000	1 000	0.00
Civil & technical	154 763	145 540	144 190	-0.93
Electro technical	25 650	29 780	21 711	-27.10
Grand total	229 611	222 448	203 616	-8.47

The above-mentioned fixed assets were financed from the following sources:

TYPE OF FINANCE	ORIGINAL BUDGET 2007 R000	ADJUSTED BUDGET 2007 R000	ACTUAL RESULT 2007 R000
External financing fund	128 075	93 100	94 261
Capital replacement reserve	44 884	71 931	60 984
Grants	56 652	57 417	48 371
Grand total	229 611	222 448	203 616

Further information regarding capital expenditure is outlined in Appendix C(1) and E(2) in the financial statements.

				R000	<u>%</u>
	External long-term loans			94 261	46.29
	Conditional Grants		Provincial Government	18 226	8.95
	Conditional Grants		National Government	24 056	11.81
	Conditional Grants	-	Eden District Municipality	4 572	2.25
			Other Institutions	1 516	0.74
	Capital Replacement				0.00
	Reserve:				
	General			18 125	8.90
	 Cleansing Infrastructure 				0.00
	 Electricity Infrastructure 			13 688	6.72
	 Sewerage Infrastructure 			7 047	3.46
	 Water Infrastructure 			10 987	5.40
	Sale of property			11 038	5.42
	Roads and stormwater			<u>96</u>	<u>0.05</u>
TOTAL				<u>203 612</u>	100.00

Further details regarding variances on individual projects will be reflected in the specific directorates' reports.

9. BANK, CASH AND CASH EQUIVALENTS

Bank, cash and cash equivalents at hand on 30 June 2007 amounted to R301,7 million compared to R248,6 million for 2005/06 - an increase of R53,1 million or 21%. The main reasons for this increase is due to the raising of external loans (Previous year's capital financing), unutilized capital receipts and improvement in the Councils financial performance.

The detailed bank, cash and cash equivalents are outlined in note 16 of the financial statements.

10. LIQUIDITY SITUATION

The bank, cash and cash equivalents were allocated as outlined below to the various statutory funds, reserves, creditors deposits, operational cash, etc.

91,5 M
8,7 M
4,8 M
44,1 M
30,0 M
78,8 M
0,6 M
25,4 M
17,8 M
301,7 M

Council approved, based on these results, that an amount of R16 million of the operational cash be utilised as follows:

■ CAPITAL REPLACEMENT RESERVE R 16 M

This will lighten the burden of external loan funding for 2007/8 and finance the October 2007 adjustment budget.

11. ANALYSIS / PERFORMANCE RATIOS

Legislation requires municipalities to measure and report on their performance when budgets are prepared as well as during and at the end of the financial year. The purpose of the latter requirement is mainly to indicate the extent to which the targets or norms have been met and the performance attained.

The same viability analysis as was used in the previous financial year was used and the results are as outlined:

Name of Ratio	<u>Target</u> <u>%</u>	<u>Score</u> <u>%</u>
Coverage of STPLTC Short-term debt Debtors movement Creditors Test Capital Cost Burden Staff Cost LT Debt as % of Total Revenue Cash Funded Salary & Bulk Purchases Coverage Net Current Assets Long-term assets	5 5 20 5 5 5 20 5 5 20 5	5 5 20 5 5 5 20 5 20 3
TOTAL	100 %	98 %

The result achieved in 2005/06 WAS 100%.

Brief Explanation of analysis: (2005/06 in brackets)

1. Cash coverage of the short-term portion of long-term liabilities (STPLTL):

The result of 2 768% (2 267%) clearly indicates that the municipality has more than sufficient cash available to cover the short-term liability.

2. Short-term debt as a % of total revenue:

The result of 15,37% (14,03%) indicates that 15,37% of the municipality's revenue is required to cover short-term debt. This ratio is currently close to the standard of 16,6% of revenue.

3. **Debtors movement:**

The result of -2% (+1%) indicates that debtors had an overall decrease due to write-offs and improved collection rate and that provision for working capital or bad debts was sufficient.

4. <u>Creditors test: (turnover rate)</u>

This result indicates that the municipality requires 11 days (13 days) to pay trade creditors compared to the norm of 60 days.

5. Capital cost burden:

The result of 7,59% (6,62%) indicates that 7,59% of total revenue was required to depreciate assets and service loan charges. This ratio will definitely increase drastically with the increased utilisation of external loan funding and will have to be managed not to exceed the 20 % norm.

6. Staff cost as % of gross expenditure:

This result of 25,51% (24,93%) is much lower than the 35 % norm, but will be negatively affected with the population of the approved macro and micro staff structures in 2007/8.

7. Long-term debt as percentage of total revenue:

The absolute limit of this ratio is 40 % of total revenue. Some financial institutions will not consider further loans if this percentage exceeds 40 %.

During 2005/6 the long-term liabilities of the municipality increased with R86,3 million and the 2006/7 budget is providing additional R103 million external loan funding.

The ratio of 37,56% (27,64%) for 2006/7 will therefore increase substantially in 2007/8. Management of this ratio will remain essential.

8. Cash funded:

This ratio indicates that the operating budgets for 2005/6 and 2006/7 were more than 100 % cash funded.

9. Salary and bulk purchases coverage:

This ratio of 16,99:1 (16,95:1) indicates that the total amount of cash available is sufficient to cover the monthly employee related costs and monthly bulk purchases (electricity) 16,99 times!!

10. **Net current assets:**

This ratio indicates that net current assets are financed more than 2,5 times (6 times) from the accumulated surplus and deposits.

11. Long-term assets:

This ratio indicates that the current funding sources of the municipality are sufficient to cover long-term assets.

In summary: it is indicated through this analysis that the overall financial status of the municipality, especially the cash availability is excellent! As discussed there are however certain ratio's that will require constant evaluation.

12. AUDIT COMMITTEE

An audit committee was established and an Audit Committee Charter is in place. The Committee serves as a link between the Council, Management, the public, Internal and External Auditors. Meetings were held and during these meetings, the reports were evaluated to address internal control measures and evaluate the implementation of corrective measures.

13. ASSET MANAGEMENT

The report by the Auditor-General qualified the financial statements due to certain aspects that had to be addressed in the 2007/08 financial year.

These aspects will have to be addressed as far as possible in the 2007/08 financial year and reports to that effect are in preparation for consideration by Council. As mentioned in my introduction, the phasing-in of most of the issues mentioned in the Auditor-General's report was not considered. The comprehensiveness of the asset register will have to be addressed by appointing external service providers to assist the various directorates to break down the bulk entries in the asset register into more detailed individual assets.

The aspects referring residual value and capitalization threshold of assets will also be addressed.

14. GOING CONCERN

The financial position of this municipality is currently, as outlined in the financial statements and audit report, at such a positive level that it can categorically be stated that for the foreseeable future the municipality can be regarded as a going concern.

There are factors that will require constant monitoring and evaluation to enable this position to be maintained for the long-term sustainability of the concern.

15. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, fulltime Councillors, the Municipal Manager, Councillors and Directors for the support they have rendered to this directorate during the 2006/07 financial year. A special word of appreciation is extended to the team from the directorate financial services for the concerted efforts and sacrifices during the financial year enabling financial statements of high quality to be submitted.

L H FOURIE CHIEF FINANCIAL OFFICER: GEORGE MUNICIPALITY

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# DIENSLEWERING & PRESTASIE HOOGTEPUNTE SERVICE DELIVERY & PERFORMANCE HIGHLIGHTS















# 2.1 DIRECTORATE: /DIREKTORAAT MANAGEMENT AND ADMINISTRATION BESTUUR EN ADMINISTRASIE

# 1. INTRODUCTION

The Directorate: Management and Administration renders administrative support to other directorates and manages the offices of Council. The Directorate consists of three sub-directorates namely Corporate Services, Community Services and Client Services.

The Sub-Directorate Corporate Services includes, *inter alia*, the following services: Legal Services, Administrative and Management Services such as agendas and minutes of Council and Committee Meetings, administration of municipal buildings and halls, switchboard, commonage, sidings, public receptions, donations, homage, records, typing, general correspondence, safe-keeping of documents and policy and research.

The Sub-Directorate: Community Services includes services such as traffic law enforcement, vehicle registration, driver's licences, pound, libraries, fire fighting and disaster management, sport administration and security/safety services.

The Sub-Directorate: Client Services consists of tourism, marketing, client services and special events. The sub-directorate's main focus, however, is to inform the public about the different municipal services and to advise Council about community needs.

The Directorate has a personnel compliment of approximately 250 and is responsible for the administration of a total operational budget of ±R72 million and a capital budget of R 15,372,000.

Performance indicators for the year under review, are as follows:

# Service Delivery Unit: Policy IDP

IDP Key Performance Areas and Objectives covered by service(s) Governance

Overview of services provided and narrative on performance for the year Revision of IDP

Public participation sessions held in October and April.

| Performance Indicators                       | 2005/2006<br>Actual | 2006/ 2007<br>Actual |
|----------------------------------------------|---------------------|----------------------|
| Number of public participation meetings held | 24                  | 20                   |
| % of scheduled meetings realised             | 95%                 | 100%                 |

# Service Delivery Units: Customer Services

IDP Key Performance Areas and Objectives covered by service(s)

Governance: Communication; Informing the general public.

Overview of services provided and narrative on performance for the year

Informing the public about all municipal services and enhancing public participation.

Concentrate on the improvement of service delivery and problem solving.

A total of 720 visits by the public to the three area managers were recorded during the 2005/2006 year. During 2006/2007 a huge increase in these visits were recorded, bringing the total number to approximately 4000.

# Service Delivery Units: Legal

IDP Key Performance Areas and Objectives covered by service(s)

Governance: Provision for legal matters pertaining to local government by ensuring that the Municipality exercises its powers within legislative framework.

Overview of services provided and narrative on performance for the year

- Legal advice to Directorates
- Arranging Public participation for by-laws
- Appointment of panel of attorneys and liaising with attorneys

| Performance Indicators       | 2005/2006<br>Actual | 2006/2007<br>Actual |
|------------------------------|---------------------|---------------------|
| Legal advise to directorates | 36                  | 22                  |
| Public participations        | 8                   | 5                   |

#### Service Delivery Units: Library: Caledon Street, Branch Libraries

IDP Key Performance Areas and Objectives covered by service(s) Education. Health and social services.

Overview of services provided and narrative on performance for the year

To provide an effective and efficient service to assist the community's informational, cultural, educational and recreational needs.

Major Capital Projects Completed in 2004/05 (if applicable)

Computerization of Libraries - R60 000.00

| Performance Indicators                  | 2005/2006 | 2006/2007 |
|-----------------------------------------|-----------|-----------|
|                                         | Actual    | Actual    |
| Number of items borrowed from libraries | 758319    | 694987    |
| Number of members of libraries          | 34800     | 37156     |
| % membership increase(Youth / adults)   | - 6,2%    | + 0,12%   |
| Aantal uitreikings per personeellid     | 32970     | 38129     |
| Number of events held by libraries      | 55        | 60        |

Service Delivery Units: Pacaltsdorp, Thembalethu, Blanco, Conville and Touwsranten, Maintenance, Commonage & Sidings and Civic Centre.

IDP Key Performance Areas and Objectives covered by service(s) Recreation, Sport and Tourism / Recreation Facilities

Overview of services provided and narrative on performance for the year

To provide the community with recreational halls and to equip and maintain these halls.

# Major Capital Projects Completed in 2006/2007

Completion of new administrative Building at Civic Centre

Upgrading of Touwsranten and conville Community Hall

Paving at Blanco Hall

| Performance Indicators                      | 2005/2006    | 2006/2007    |
|---------------------------------------------|--------------|--------------|
|                                             | Actual       | Actual       |
| % Utilization of community halls - private  | 30,61        | 32,38        |
| % Utilization of community halls - official | 69,38        | 67,62        |
| Other: Income                               | R 306 534,00 | R 337 419,00 |

# Service Delivery Units: Fire Brigade

IDP Key Performance Areas and Objectives covered by service(s) Safety and Security

Overview of services provided and narrative on performance for the year

The main function is to prevent fires and to protect life and property should a fire occur.

To manage disasters.

Major Capital Projects Completed in 2006/07 (if applicable)

Upgrading of water tanker

Purchase of fire fighting vehicle

| Performance Indicators                          | 2005/2006<br>Actual | 2006/2007<br>Actual |
|-------------------------------------------------|---------------------|---------------------|
| Emergency call outs                             | 826                 | 672                 |
| Average Response Time                           | 7,5                 | 7                   |
| Rural Response Time                             | 23                  | 19                  |
| Emergencies leading to life loss (fires)        | 0                   | 2                   |
| Emergencies leading to life loss (drownings)    | 0                   | 4                   |
| Number of fire prevention inspections conducted | 670                 | 840                 |

# Service Delivery Units: Sport and Recreation

# IDP Key Performance Areas and Objectives covered by service(s)

Provision of Recreation and Sport facilities/Sport tourism/improved economic environment

#### Overview of services provided and narrative on performance for the year

Upgrading of Sport facilities

Maintenance of Sport fields/terrains

Provision of Security services

Host City for international Sevens Tournament

#### Major Capital Projects Completed in 2005 (if applicable)

Complete Installation of floodlights - Outeniqua Park - R 2,3 million

Swimmingpool - R 5,8 million

Building of Capital work to a total amount of R 1,5 million was spent on the following Sport Fields:

- Blanco
- Touwsranten
- Pacaltsdorp
- Rosemoor
- Thembalethu

| SWEMBAD                                |
|----------------------------------------|
| SEORGE 🍂                               |
| SWIMMING POOL                          |
| ************************************** |

| Performance Indicators            | 2005/2006 | 2006/2007 |
|-----------------------------------|-----------|-----------|
|                                   | Actual    | Actual    |
| % utilization of sport facilities | 70%       | 70%       |

# Service Delivery Units: Council General, Councillors, Office of the Executive Mayor

IDP Key Performance Areas and Objectives covered by service(s) Governance

Major Capital Projects Completed in 2006/07 (if applicable)

Completion of the council's reception area.

| Performance Indicators                            | 2005/2006<br>Actual | 2006/2007<br>Actual |
|---------------------------------------------------|---------------------|---------------------|
| % of skeduled meetings realised                   | 97%                 | 99%                 |
| Number of agenda's distributed                    |                     |                     |
| Number of agenda's distributed on time            | 178                 | 139                 |
| Number of minutes of meetings distributed         |                     |                     |
| Number of minutes of meetings distributed on time | 178                 | 139                 |
| Computerizing of archive system % of items        |                     |                     |
| scaned                                            | 20%                 | 25%                 |

Service Delivery Units: Informal Trading Control, Safety / Security,

Traffic: Law enforcement, Traffic: Vehicle Registration, Traffic: Drivers Licence, Traffic:

**Vehicle Testing Centre** 

# IDP Key Performance Areas and Objectives covered by service(s)

Governance, Education and Safety and Security

Ensure safe and secure environment for all people living or visiting George with emphasis on high level of community involvement. Also to ensure the safe and free flow of traffic in the Greater George. Although this is traditionally the primary function of the Traffic Section, we endeavour to be a multipurpose agency, serving the traffic needs of the community.

# Overview of services provided and narrative on performance for the year

Law Enforcement: to ensure that all transgressors are prosecuted in accordance with the relevant legislation; also includes educational programs.

Vehicle Registration: an agent for Provincial Administration by issuing car licences and registration/deregistration.

Driver's Licences - testing of applicants to obtain a driver's licence as an agent for the Provincial Administration.

Vehicle testing centre - testing of vehicles in accordance with code 047 SABS for roadworthiness.

Pound for large animals - impounding of stray animals, especially those causing danger to road users.

Vehicle pound - impounding of unroadworthy and confiscated vehicles.

# Major Capital Projects Completed in 2006/07

Animal Pound, Natis computer and printer, motorcycle testing equipment, alterations to motor registration offices, purchase of new patrol vehicles and motorcycles, new video cameras and apparatus.

| Performance Indicators                         | 2005/2006<br>Actual | 2006/2007<br>Actual |
|------------------------------------------------|---------------------|---------------------|
| Complaints attended by traffic officers        |                     |                     |
| Number                                         | 547                 | 775                 |
| Man hours                                      | 658                 | 776                 |
| Special Functions attended by traffic officers |                     |                     |
| Number                                         | 407                 | 796                 |
| Man hours                                      | 909                 | 881                 |

| Performance Indicators                                        | 2005/2006 | 2006/2007 |
|---------------------------------------------------------------|-----------|-----------|
|                                                               | Actual    | Actual    |
| Motor vehicle licence transactions                            | 83925     | 68468     |
| Drivers Licences                                              |           |           |
| Applicants for renewal of car type licences                   | 7500      | 8680      |
| Drivers licenses issued                                       | 1143      | 1241      |
| Learners licenses issued                                      | 2466      | 2761      |
| Number of applicants tested for driver and learner licences   | 7273      | 5083      |
| Traffic Offences                                              |           |           |
| Moving violations (red robot; stops; speeding; barrier lines) | 53495     | 39046     |
| Parking offences                                              | 218       | 879       |
| Licences (driver/motor vehicle)                               | 2056      | 2999      |
| Deflects (tyres, hooters, etc)                                | 1469      | 1494      |
| Overloading                                                   | 179       | 197       |
| Safety Belts                                                  | 916       | 1363      |
| Cellular phone violations                                     | 645       | 1282      |
| Sundries                                                      | 471       | 733       |
| Drunken Driving                                               | 144       | 241       |
|                                                               | Death 3   | Death 23  |
|                                                               | Major 149 | Major 102 |
| Number of road traffic accidents (deaths/major/minor)         | Minor 797 | Minor 797 |
| Number of taxi violations                                     | 3885      | 4728      |
| Number of road safety educational events held                 | 1500      | 8         |
| Number of prosecutions of owners of stray animals             | 8         | 189       |
| Number of animals impounded                                   | 0         | 46        |
| Number of by-law offences                                     |           |           |
| Number of arrests                                             | 241       | 615       |

# Service Delivery Units: Administration, Switchboard

# IDP Key Performance Areas and Objectives covered by service(s) Governance

# Overview of services provided and narrative on performance for the year

Telephone usage costs were R  $585\ 980,00$  of which R  $232\ 602,00$  was reclaimed for private calls.

| Performance Indicators                 | 2005/2006 | 2006/2007 |
|----------------------------------------|-----------|-----------|
|                                        | Actual    | Actual    |
| Number of calls received (switchboard) | 469 167   | 296 962   |
|                                        |           |           |
| Other: Local: Outgoing calls           | 181 113   | 216 429   |
| National                               | 17 591    | 97 525    |
| Cell                                   | 57 445    | 61 244    |
| Share calls                            | 881       | 3 067     |

# Service Delivery Units: Advertising/Tourism

IDP Key Performance Areas and Objectives covered by service(s) Governance, Recreation, Sport and Tourism

| Performance Indicators<br>Included in 2003/04 Annual Report | 2005/2006<br>Actual | 2006/2007<br>Actual |
|-------------------------------------------------------------|---------------------|---------------------|
| Number of tourist marketing campaigns                       | 12                  | 11                  |
| Number of partnerships increase / decrease                  | 5                   | 5                   |
| % increase of membership of Tourism Bureau                  | 17%                 | 1%                  |
|                                                             |                     |                     |
| Other: Festivals supported/organised                        | 7                   | 7                   |
| Shows/exhibitions attended                                  | 8                   | 9                   |
| Development projects                                        | 2                   | 2                   |
| Number of members                                           | 394                 | 397                 |

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2.2 DIRECTORATE: /DIREKTORAAT CIVIL & TECHNICAL SERVICES SIVIEL & TEGNIESEDIENSTE

1. INTRODUCTION

This Department is responsible for the provision and maintenance of streets, storm water drainage, water distribution, water purification, sewer network, sewage purification, parks and recreation and cleansing.

This Department is primarily involved in working towards the following Key Performance Area:

GOOD INFRASTRUCTURE AND SERVICES

STRATEGIC OBJECTIVES

Alien Vegetation Removal of alien vegetation

Water and Sanitation Water infrastructure managed and

maintained to provide a level of service to all customers in accordance with National guidelines and to ensure safe drinking water for

all.

Sanitation infrastructure managed and maintained properly in order to provide adequate and efficient services to customers, at the same time ensuring that there is no

negative impact on the environment.

Water Resources Water resource management in a

Water resource management in a sustainable and environmentally acceptable manner to ensure that the water requirements are met for

current and future needs.

Refuse Removal Reliable, safe and secure refuse

removal system in place and managed to provide adequate, efficient, safe and sustainable

services to customers.

Cemeteries Safe, affordable, accessable, secure

and environmentally friendly cemeteries in place and maintained.

Streets, Storm Water and Pavements

Proper, cost effective maintenance of existing street, storm water and pavement infrastructure, upgrading of gravel streets to tar streets and a reliable storm water system in place and maintained.

Service Delivery Unit: Cemetries

IDP Key Performance Areas and Objectives covered by service(s).

Good Infrastructure and Service Delivery: Safe, affordable, accessible, secure and environmentally friendly cemeteries in place and maintained.

Overview of services provided and narrative on performance for the year

Selling of graveyard plots

Maintaining seven cemeteries

New cemetery in Touwsranten to be established in 2008

Performance Indicators	2005/06	2006/07
Number of burials	534	461

Service Delivery Unit: Forestry

IDP Key Performance Areas and Objectives covered by service(s)

Recreation, Sport and Tourism/Open Spaces, Green Belts and Hiking Trails:

Open spaces, green belts and hiking trails identified, developed and maintained in terms of an SDBIP in order to maintain the Garden Route character of the George Municipal Area.

Overview of services provided and narrative on performance for the year

Removal of "warbos" / jungle in accordance with legislation

Recovery of fynbos

No harvesting was done in the past year.

Service Delivery Unit: Beach Areas

IDP Key Performance Areas and Objectives covered by service(s)

Recreation, Sport and Tourism / Recreation Facilities: Recreation needs assessed and provided to meet the needs of the community and tourists at large and youth in particular.

Overview of services provided and narrative on performance for the year.

Three beaches: Herold's Bay, Victoria Bay & Wilderness.

Service Delivery Unit: Herold's Bay Camping Site

IDP Key Performance Areas and Objectives covered by service(s)

Recreation, Sport and Tourism / Recreation Facilities: Recreation needs assessed and provided to meet the needs of the community and tourists at large and youth in particular.

Overview of services provided and narrative on performance for the year Servicing 42 caravan sites in caravan park.

Primarily used by holiday makers in December / January and Easter weekend. Safe and secure area.

Performance Indicators	2005/06	2006/07
Number of overnight stays at Herold's Bay camp site	1984	2017

Service Delivery Unit: Parks

IDP Key Performance Areas and Objectives covered by service(s)

Recreation, Sport and Tourism

Open spaces, green belts and hiking trails identified, developed and maintained in terms of an SDBIP in order to maintain the Garden Route character of the George Municipality.

Streets, public places in the City of George and outlying areas generally clean, attractive and beautified in order to create pride of place by the local public and to attract visitors.

Overview of services provided and narrative on performance for the year

Parks are maintained 17 cycles per annum.

Open spaces are maintained 4 cycles per annum.

Trees planted in Greater George municipality.

Trees in streets are pruned regularly

Major Capital Projects Completed in 2006/07

Apparatus in all parks have been repaired.

Performance Indicators	2005/06	2006/07
Hectares of alien vegetation cleared	475	180
Hectares of grass cut / month	350	350
Number of trees planted	6 400	+- 7 000
Number of trees pruned	+- 5 500	+- 5 000

Service Delivery Unit: Sewerage: Main Pipes & Pumpstation

IDP Key Performance Areas and Objectives covered by service(s)

Good infrastructure and service delivery:

Sanitation infrastructure managed and maintained properly in order to provide adequate and efficient services to customers ensuring at the same time there is no negative impact on the environment.

Overview of services provided and narrative on performance for the year. Provision of sewer systems

Ensuring that the functionality of the system is 100%.

Performance Indicators	2005/06	2006/07
New house connections in year	94	104
Mains cleared (M)	1120m	5540m
Sewer blockages opened	3062	3034
Manholes repaired	152	101
Pipeline breakages repaired	176	189

Service Delivery Unit: Sewerage: Water Pollution Control

IDP Key Performance Areas and Objectives covered by service(s)

Good infrastructure and service delivery:

Water Pollution Control Works managed and maintained properly in order to provide adequate and efficient service to customers, at the same time ensuring that there is no negative impact on the environment, and that effluent produced is compliant with DWAF standards.

Overview of services provided and narrative on performance for the year

Outeniqua, Herolds Bay and Kleinkrantz purification works effluent comply with the Water Act. Gwaing works did not comply due to high ammonia levels.

This problem will be rectified by the rehabilitation of this works that has commenced and is due for completion in May 2008.

Major Capital Projects Completed in 2006/07

- Commencement with the Rehabilitation of the Gwaing Water Treatment Works
- Various upgrades to buildings

Performance Indicators	2005/06	2006/07
KI of sewerage purified	5815	5467

Service Delivery Unit: Streets and Storm Water

IDP Key Performance Areas and Objectives covered by service(s)

Good Infrastructure and service delivery:

Proper, cost effective maintenance of existing street, storm water and pavement infrastructure, upgrading of gravel streets to tar streets and a reliable storm water system in place and maintained.

Overview of services provided and narrative on performance for the year Maintenance of streets and storm water systems.

Major Capital Projects Completed in 2006/07 (if applicable)

Paving of roads by means of labour intensive methods.

Performance Indicators	2005/06	2006/07
% of households with access to storm water service	75	75
Km of gravel streets upgraded to permanent surface	10.3km	9.5km
Km of tarred roads requiring repair to prolong their life	45km	55km
Km of tarred roads resealed	10.1km	16.8km
Jobs created (Public Works Programme)	240	330
Rebuilding of streets	0.4	1.3km

CLEANSING SERVICES

Strategic objective

Reliable, safe, secure and affordable refuse removal, street cleaning, waste disposal, night soil removal and public toilets cleaning system in place and managed to provide adequate, efficient, safe and sustainable services to customers.

Service Delivery Unit: Street Cleaning

IDP Key Performance Areas and Objectives covered by services

Cleanliness of City and outlying areas:

Streets, public places in the city of George and outlying areas generally clean, healthy, all created and beautified in order to create pride of place by the local public and to attract visitors as well as to ensure a healthy environment.

Overview of services provided and narrative on performance for the year:

Nineteen (19) full time people are employed for street cleaning in the CBD area as well as ten (10) part time street cleaners.

The residential areas and outlying areas such as Hoekwil, Touwsranten, Kleinkrantz and Wilderness are being cleaned by a total of 120 part time people (15 contractors and 105 workers).

In addition to the above a front end loader and tipper truck are utilised to remove unlawfully dumped waste from residential areas.

The street cleaning services perform well and the private contractors for the residential areas, which is also a job creation opportunity, are a big success.

In spite of all the above efforts and educational projects, clean up projects and law enforcement, unlawful dumping remains a problem in some of the residential areas and vacant grounds.

The budget for street cleaning and removal of unlawfully dumped waste is R5.1 million.

Performance Indicators	2005/06	2006/07
Number of person hours spent on cleaning streets is	316 080	316 800

Service delivery unit: Public toilets

IDP Key performance areas and objectives covered by services

Good infrastructure and service delivery:

Clean, healthy, safe and well maintained public toilets for the public and visitors.

Overview of services provided and narrative on performance for the year:

A total of 10 sets of public toilets are provided of which four (4) are provided at outlying areas such as Herolds Bay, Victoria Bay, Wilderness and Gwaing River Mouth. The facilities are well maintained and serviced by eight (8) full time employees.

The budget for public toilets is R923 000

Capital projects: Upgrading of Gwaing River Mouth Public toilets (R34 100,00).

Performance Indicators	2005/06	2006/07
Public toilets per 10 000 population	0.1	0.1
Number of person hours spent on cleaning toilets	15 000	15 000

Service delivery Unit: Refuse site and transfer station

IDP Key Performance areas and Objectives covered by services.

Good infrastructure and service delivery:

Reliable, safe and secure refuse disposal facilities in place and managed to the required health and environmental conservation standards to meet the requirements of George's residents in the most cost effective way as well as to comply with the relevant national legislation.

Overview of services provided and narrative on performance for the year.

Domestic waste and business waste are transported to Petro SA's landfill site in Mossel Bay via a refuse transfer station. The transfer station is managed by a private contractor. This includes the transport of the waste to Mossel Bay.

The contractor is compelled by agreement to recycle 8% of the total tonnage of waste going through the transfer station.

Building rubble and green waste are accommodated on a landfill site which is situated next to the transfer station. This site is fenced off with a razor wire as well as an electric fence, and the entrance is strictly controlled. There are three full time employees.

Provision is also made for the burial of dead animals (road kills and from vets) as well as for abattoir waste.

The budget for this section is R4.354 million.

Performance Indicators	2005/06	2006/07
Tonnes of refuse received annually	60 000	61 000
(Refuse site and Transfer station)		
Tonnes of refuse recycled	6 000	2 640
(Transfer station and double bag system)		

Service Delivery Unit: Refuse Removal

IDP Key performance areas and Objectives covered by services.

Good infrastructure and service delivery:

Reliable, safe, affordable and secure refuse removal system in place and managed to the required health and environmental conservation strandards to meet the requirements of George's residents in the most cost effective way and to keep up with the rapid expansion of the city and the newest technology.

Overview of services provided and narrative on performance for the year:

This section is responsible for collecting the refuse of 34 000 households and 2500 businesses as well as the cleaning of 350 street litter bins.

Seventy (70) full time employees are employed in this section. A fleet of thirteen (13) rear end loader refuse compactors trucks are used for this service.

Every household and business in George has access to a door-to-door collection refuse removal service except in some informal areas where there is no access. The rural area within the boundries of the municipal area is not included in this service although they make use of the refuse transfer station and refuse site for garden waste and builders rubble.

Households are serviced once per week and food preparation businesses three (3) times per week. A double bag system for recycling at source from households was discontinued by the service provider, which was a private concern.

The budget for refuse collection is R16,853 million. Capital projects: 1 x new refuse truck (R844 492,00).



Performance Indicators	2005/06	2006/07
Percentage of households taking part in recycling with double bag system	35%	Service discontinued
Tons of recycled material handled per month with double bag system	40	Service discontinued
% of total waste collected recycled	6%	11%
Tons of households refuse collected	26 000	27 000
Tons of business refuse collected	4 000	4 500
KPA % of households with access to basic level	98%	98%

Service delivery Unit: Night Soil removal

IDP Key performance areas and objectives covered by services

Good infrastructure and service delivery:

Reliable, safe and well managed night soil removal system in place. The services are managed in accordance with the requirements of George's residents in the most hygienic, cost effective and dignified manner.

Overview of services provided and narrative on performance for the year

This section currently collect buckets from 315 households. During the course of the year a total of 235 buckets in formal areas were eradicated with funds from MIG.

Ten (10) full time employees are involved in this section which operate between 22:00 and 06:00.

During the past year the outlying areas of Wilderness Heights informal area and Touwsranten informal area were included.

There are still many households in the informal areas who have not got night soil removal due to the fact that there are no access roads to reach the structures and that some are on private land. It is expected of owners to build their own toilet structure before a bucket service can be provided.

The budget for this service is R756 500 million.

Performance Indicators	2005/06	2006/07
Number of households serviced (Formal and informal)	370	315
Number of buckets eradicated	0	235

Service Delivery Unit: Water Purification

IDP Key Performance Areas and Objectives covered by service(s)

Good infrastructure and service delivery:

Water infrastructure and Purification Plants managed and maintained properly in order to provide adequate and efficient service to customers.

Overview of service provided and narrative on performance for the year.

To purify water according to SANS 241:2001

To ensure water of a good quality to the consumer.

Performance Indicators	2005/06	2006/07
Average household water purified per day (M/I)	26988	28377
% of water losses through purification	6.6%	6,29%
% of water losses through network	0.5%	5,84%
KI of water purified	9 850 717	10 357 514
KI of water distributed	9 796 928	10 962 090

Service Delivery Unit: Water Distribution

IDP Key Performance Areas and Objectives covered by service(s):

Good infrastructure and service delivery:

Water infrastructure managed and maintained properly in order to provide adequate and efficient services to customers.

Overview of services provided and narrative on performance for the year:

Maintain 732 km of pipeline varying in diameter from 50mm to 800mm Maintain 25080 Water meters.

Performance Indicators	2005/06	2006/07
Length of pipeline replaced	5 750m	7 125m
Pipeline replaced (Rm)	2.1	2.5
New consumers connected:		
Formal developments	361	489
Informal developments	184	201
Maintenance:		
Burst water mains	189	227
Sluice valves	39	31
Fire hydrants	59	55
House connections	1 965	2305

Water meters replaced	1 149	1029
KPA -		
Percentage of households with access to basic level of water	95%	95%
Number of new water connections	400	400

Service Delivery Unit: Planning and Bulk Infrastructure: Water

IDP Key Performance Areas and Objectives covered by service(s):

Good Infrastructure and Services:

Bulk water infrastructure and water resources planned, upgraded and extended in order to ensure efficient and continued service supply.

Overview of services provided and narrative on performance for the year:

Upgrading of existing infrastructure, and the construction and installation of new services in order to meet and make provision for growing demands.

Major Capital Projects in 2006/07 (WATER)

Upgrading of Main Raw Water Pump station & Rising main commenced Kraaibosch Water Pipeline Phase II

Kaaimans Pumping Scheme commenced

Rehabilitation of the Water Treatment Works commenced

Malgas Dam Study commenced (extension of Water Resources) EIA

Water Master Plan

Planning - Blanco Pipeline

Western Pipeline

Flood Damage - Touw River Pipeline

Major Capital Projects in 2006/07 (SANITATION)

Hansmoeskraal Sewer Gravity Pipeline

Rehabilitation of Gwaing Water Treatment Works commenced

Completion of Kraaibosch Regional sewer Pump Station and rising main

Completion of Wilderness Phase III

Commencement Erf 325 external sewer Pump Station

Sewer Master Plan

Wilderness East Sewer Pipeline

Planning - Kraaibosch sewer reticulation

George Sewer Reticulation

Pacaltsdorp Sewer Pump Station and bulk pipeline upgrades

Outeniqua Water Treatment Works Upgrade & Reuse of

Treated effluent Kraaibosch - Vic Bay

Major Capital Projects Completed in 2006/07 (ROADS & STORM WATER)

Beach Road Phase II
Beach / Panther Intersection
Union / Hope Phase II
Davidson / Langenhoven Phase I





Robots and Intersections Phase I - Four new signalised intersections Eight intersections upgraded

Phase II - Commenced

Commencement of

- Sandkraal Phase I

- Union / Hope Phase III

Beach Road Phase III

Planning - Langenhoven Phase II

EIA's & Planning

- Southern Arterial
- Plattner Boulevard extension
- Rand Street extension
- N2 / York bridge widening

Knysna Road and Kraaibosch Roads planning and commencement with implementation and construction

Flood Damage

- Pienaar Street bridge

- Grens street bridge
- Herolds Bay Beach wall
- Speckie Gericke Street
- Whites Road
- Katriver Gabion structures
- Tamsui Stormwater system

Service Delivery Unit : Planning and Bulk Infrastructure : Public Transport

IDP Key Performance Areas and Objectives covered by service(s)

Good infrastructure and Services:

Public Transport strategy in place and operational.

Overview of services provided and narrative on performance for the year

Sandkraal Mobility strategy commenced (3 year project)

George Mobility strategy in planning phase

Eden launched NMT plan - George Municipality involved

Major Capital Projects Completed in 2006/07

Upgrading and extension to CBD taxi rank.

Service Delivery Unit: Planning - Land Development

IDP Key Performance Areas and Objectives covered by service(s)

Good Infrastructure and Services:

Water, sanitation, roads and storm water infrastructures managed and planned.

Overview of services provided and narrative on performance for the year

Process and approve private land development applications with the provision of civil services. Ensure that adequate civil services are provided by private developers in line

with standards acceptable to the George Municipality. Ensure that private developments fully finance all civil service requirements of the new development.

Municipal land developments : approve municipal low cost housing and other developments in respect of infrastructure

Major Capital Projects Completed in 2006/07

34 Residential erven - Dellville Park

44 Residential erven - Levallia Infill erven

All private developments requiring infrastructure approvals

46 Industrial erven - Pacaltsdorp Industria

Performance Indicators	2005/06	2006/07
Private land development applications and applications for purchase of municipal property etc.	660	772
Building plans approve	None	220

Service Delivery Unit: Project Management

IDP Key Performance Areas and Objectives covered by service(s)

Good Infrastructure and Services:

Installation/construction of water, sanitation, roads and stormwater infrastructures managed.

Overview of services provided and narrative on performance for the year

Approval of plans and drawings of civil services for private, capital infrastructure and Municipal Housing and Land Developments.

Quality control, general overseeing and management of capital projects to ensure that infrastructure is developed in accordance with Council's standards and requirements.

Strategic Planning

Management of all major contracts (Municipal land developments and capital projects) Water, Sewer, Roads, Masterplanning

Other services

MIG projects Managed - R9,5 million

Cost Estimates for services - 48 No Speed hump - investigations - 58 No

Implemented - 12 No

TIA's assessed - 17 No

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# 2.3 DIRECTORATE: /DIREKTORAAT ELECTROTECHNICAL SERVICES ELEKTROTEGNIESEDIENSTE

# INTRODUCTION

The Electrotechnical Services Directorate is responsible for the provision of the Electrotechnical services in George. This includes transmission, distribution, reticulation, street lighting, traffic signals, etc. The Directorate purchases electricity from Eskom at 66 000 V and distributes it at 11 000 V.

# Service Delivery Unit: Electricity

# IDP Key Performance Areas and Objectives.

To effectively manage and maintain an electrical infrastructure that will ensure the provision of effective and efficient services to customers by the Electro Technical Services Directorate.

# **CHALLENGES**

- a. The electrical industry is facing a severe crisis caused by the shortage of generation capacity in South Africa. Load shedding and power cuts will become a way of life for the foreseeable future. Innovative initiatives will have to be implemented to reduce the impact on the economy and lifestyle of residents. George Municipality is doing an audit on all existing geyser control units in homes and installing additional controllers to ensure maximum utilisation of this technology. Geysers are switched off during peak and critical load periods to reduce the electrical consumption. Low wattage electrical bulbs are also distributed free of charge to clients. These bulbs use approximately 15% of the energy that a conventional incandescent bulb uses. Conventional Christmas lights are being replaced by very low energy light emitting diode (LED) technology lights.
- b. The challenge of addressing global warming, the reduction of greenhouse gasses and the promotion of renewable energy should also be actively supported.
- c. Scarce Skills (shortage of skills in the Electrical Engineering field)
  This Directorate has been experiencing tremendous difficulty in attracting suitable qualified staff to fill key positions, due to the skills shortage, particularly in the Electrical Engineering fields. In being proactive and in addressing these problems in the long term, an Electrical Engineering Learnership programme was introduced to train Electricians. The learnership programme runs for a period of three years and covers NQF level 2 to 4. It is funded by the LGSETA. In February 2007, thirteen learners were registered by the George Municipality. Eleven of these learners are permanently employed by the George Municipality as Electrical Assistants (including five women). Two unemployed workers from the community were also registered.

Thirteen learners should qualify as Electricians by the end of 2009 and we are proud to say we are actively involved in addressing the skills shortage and developing our employees and members of the local community.

This Directorate is primarily involved in working towards the following Key Performance Areas:

### STRATEGIC OBJECTIVE:

Electricity infrastructure managed and maintained properly in order to provide adequate and efficient services to customers.

#### **OPERATIONS & PLANNING**

# a) Distribution

New works: Install new electrical infrastructure to accommodate the growing demand for electricity within the City and surrounding areas. Execute selected capital projects and most new rural, commercial and industrial electrical connections through the optimal use of the municipal New Works Section.

High- and medium voltage: Safe and efficient operation, control and maintenance of 66 & 11 kV networks. Issue work permits to contractors doing work on electrical networks. Twenty four hour, seven days a week fault finding and repair of high-and medium voltage networks. Plan, manage and construct smaller operational construction works. Do quality control.

Low voltage: Safe and efficient operation, control and maintenance low voltage (230 and 400 volt networks). Twenty four hour, seven days a week fault finding and repair of low voltage networks. Plan, manage and construct smaller operational construction works. Do quality control.

<u>Substations:</u> Maintenance and repair of 66 and 11 kV switchgear, substations and other electromechanical equipment. Clearing and plant control of medium and high voltage power line servitudes and other electrical installations. Manufacture and repair of electrical equipment in workshop. Do quality control.

# b) Engineering Services

Manage and operate an Electrical Control Room to provide a 24 hour safe working environment for distribution staff. Design, implement, manage, and maintain medium and high voltage electrical protection systems to safely trip the electrical supply in the case of a fault to protect the community and staff from injury and equipment from damage. Design, implement manage and maintain telemetry systems to display, process and store information received from the networks throughout the distribution area and enable remote switching from the Control Room. To safely integrate protection schemes and telemetry systems to reduce power outage times and render the best possible service to the consumer. Provide essential technical support to other sections within the municipality. Design, implement, manage, and maintain a remote metering system. Read manage, maintain and generate accounts for Bulk (large) customers. Do cable location and cable fault location. Ensure compliance of NRS quality of supply requirements. Maintain the municipal energy management equipment (power factor and geyser load control). Manage networks to optimise system losses and maintain network stability.

# c) Planning & Design

Do master planning and maintain electrical master plans for main electrical networks in conjunction with Eskom and Consultants. Do the planning for all electrical installations in conjunction with the IDP (Integrated Development Plan), do estimates and make proposals for capital budget items. Do the planning for all new and extensions to rural, commercial and industrial connections. Set and maintain standards and specifications installations and equipment. Render comments and set requirements with regard to requests for new developments, subdivisions and industrial connections. Manage and maintain the electrical drawing office, CAD and GIS systems. Liaise with consulting engineers. Schedule and mange the capital budget expenditure. Do project and contract management of capital works. Do quality control.

### SERVICES

#### a) Street lights

Effectively maintain, upgrade and install street lights on side walks, lanes and walkways to enhance the safety and security in areas. In some instances special lights are installed.

# b) Festive Lighting

The annual preparation and Installation of the colorful festive lighting in the CBD and local areas, during festive season. The xmas lights enhance the festive mood in the City of George, it also makes George attractive to the locals and international tourists.

### c) Traffic lights

Maintenance and replacement of Traffic lights.

# d) Customer Services & Revenue Protection

To promptly respond to complaints from clients, telephonically and in writing.

# The installation of prepaid meters:

- i) Convertion from informal- to formal house.
- ii) Credit to prepaid meters &
- iii) New domestic connections
- iv) Faulty Meter Replacement

The provision of electricity service connections at cost for subsidised housing projects.

The provision of up to 50 units free electricity per month to indigent families.

#### e) Marketing

# Community Programmes

Running educational programmes by way of road shows in the community. Videos and pamphlets are used as educational tools. These programmes are aimed at creating an awarenes for:

- i) energy saving methods
- ii) dangers and safety aspects of electricity usage
- iii) pre-paid meter useage
- iv) tampering
- v) fault reporting etc.

This Directorate in conjunction with the former Health Directorate regularly holds educational and information sessions. Videos, presentations and pamphlets are used as educational tools.

|                            |                                                                       | e programs are aimed at creating an<br>eness and providing information on:                                                                                                                                                                                                                                                                                                                          |
|----------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | i)                                                                    | energy saving methods                                                                                                                                                                                                                                                                                                                                                                               |
|                            | ii)                                                                   | dangers and safety aspects of electricity usage                                                                                                                                                                                                                                                                                                                                                     |
|                            | iii)                                                                  | pre paid meters                                                                                                                                                                                                                                                                                                                                                                                     |
|                            | iv)                                                                   | tampering                                                                                                                                                                                                                                                                                                                                                                                           |
|                            | v)                                                                    | fault reporting etc.                                                                                                                                                                                                                                                                                                                                                                                |
|                            | vi)                                                                   | Copper theft                                                                                                                                                                                                                                                                                                                                                                                        |
|                            | vii)                                                                  | Ripple control units                                                                                                                                                                                                                                                                                                                                                                                |
| ADMINISTRATION AND SUPPORT | techn<br>Reso<br>secre<br>recep<br>monit<br>statis<br>functi<br>opera | de vital Administrative support services to the ical divisions in the areas of Human urces, Training and Development, Logistics, starial services, customer care, front office otion desk, assist with compiling and coring of the annual budget, maintain tical data and do general administrative ons that will ensure the effective and efficient ation of the Electrotechnical Services rtment. |

| VITAL STATISTICS: BUDGET                  | 2005/06  | 2006/07  |
|-------------------------------------------|----------|----------|
| Budget                                    |          |          |
| • Income:                                 | R147,5 M | R164,6 M |
| Expenditure:                              | R121,5 M | R129 M   |
| <ul> <li>Electricity Purchases</li> </ul> | R 70 M   | R 80 M   |
| Capital: budget                           | R 18,5 M | R 33.4 M |
| Staff Complement                          |          |          |
| Approved Posts                            | 154      | 154      |
| Filled Posts                              | 115      | 122      |
| Vacant Posts                              | 39       | 32       |
| Top 6 Consumers                           | 2005/06  | 2006/07  |
|                                           | 6,0 MVA  | 6,0 MVA  |
|                                           | 3,0 MVA  | 3,4 MVA  |
|                                           | 2,4 MVA  | 2,6 MVA  |
|                                           | 2,3 MVA  | 2,4 MVA  |
|                                           | 2,0 MVA  | 2,1 MVA  |
|                                           | 1,6 MVA  | 1,5 MVA  |

- Projected large consumer income = R49 M pa
- Currently 35 500 active pre-payment meters installed
- New Connections Formal Houses 1138
- New Connections informal Housing 21

| Maximum Demand                               | 2005/06     | 2006/07     |
|----------------------------------------------|-------------|-------------|
| George                                       | 70,0 MVA    | 84,9 MVA    |
| <ul> <li>Wilderness</li> </ul>               | 5,0 MVA     | 4,5 MVA     |
| Voltages                                     |             |             |
| 66 kV intake/transmission                    |             |             |
| 11 kV distribution                           |             |             |
| <ul> <li>400/230 V "reticulation"</li> </ul> |             |             |
|                                              |             |             |
| Housing projects                             | 2005/06     | 2006/07     |
| Electrification scheme                       | R587 000,00 | R400 000,00 |

# OVERVIEW OF SERVICES PROVIDED AND NARRATIVES ON PERFORMANCE FOR THE YEAR.

The continual Upgrading and Maintenance of the Electricity network in order to accommodate the load requirements in George:

# Major Capital Projects completed in 2006/07

Expansion of 66kV Main Network

Upgrading & Extension, High Voltage and Low Voltage Network, Herolds Bay

Upgrading & Extension - High and Low Voltage Network, Wilderness

Electrification

Equipment

Upgrading & Extension of building and premises

**Energy Management** 

Ripple Control

Control Protection and Communication

Upgrading & Extension of 11 kV Network – Inner City

Upgrading & Extension of 11 kV Network – Rural

Replacement of obsolete 11 kV Switchgear and Equipment

Upgrading and replacement of Streetlights

Upgrading of obsolete low voltage network cables

Electrification scheme

# Capital Projects, 98% of budget spent

| Performance Indicators                                                                                                                                                                                         | 2005/06               | 2006/07               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| % of Capital budget spent                                                                                                                                                                                      | 95%                   | 98%                   |
| Operational expenses per unit of electricity sold                                                                                                                                                              | 34.0.c/kWh            | 34.0.c/kWh            |
| Admin: Staff Complement, Number of posts filled on the approved organogram. 154 posts                                                                                                                          | 115                   | 122                   |
| KPA. Number of people from the employment equity target groups employed in compiance with the approved employment equity plan                                                                                  | 95%                   | 95%                   |
| <b>Distribution: KPA</b> % of households with access to basic level of electricity. People living on erven zoned for residential purpose.                                                                      | 100% of applications  | 100%                  |
| Number of power failures: Number of failures above acceptable MVA level. Only maintenance related failures. Number of failures above acceptable MVA level (5% of notified demand for more than 1 hour).        | 0                     | 0                     |
| Only maintenance related failures.                                                                                                                                                                             |                       |                       |
| R/c lost of revenue due to power failures: Average difference between cost price and selling price of electricity.                                                                                             | 0%                    | 0%                    |
| % of electricity losses (technical network) & non technical - theft/financial: kWh bought from Eskom - sold to public.                                                                                         | 11%                   | 11%                   |
| Quality of Service: NRS 047, customers informed about planned power shut downs. System in place to address complaints. Plan in place to address critical situations. Community educational programmes inplace. | 85%<br>compliant      | 90%<br>compliant      |
| Quality of Supply: compliance with NRS 048                                                                                                                                                                     | 70%                   | 90%                   |
|                                                                                                                                                                                                                | compliant             | compliant             |
| Electrification: Number of new connections, Low cost                                                                                                                                                           | 100% of               | 100% of               |
| and ad hoc housing connections excluding requests from informal house owners.                                                                                                                                  | applications actioned | applications actioned |
| Maintenance: Preventative maintenance programme in place and active                                                                                                                                            | 80%                   | 80%                   |
| Safety: Number of workplace incidents                                                                                                                                                                          | 0%                    | 0 %                   |
| (Number of serious and fatal occupational incidents for which Employer could be held responsible)                                                                                                              |                       |                       |

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2.4 DIRECTORATE: /DIREKTORAAT PLANNING AND DEVELOPMENT BEPLANNING EN ONTWIKKELING

This is a relatively new Department consisting of Town Planning (including Building Control), Housing, Local Economic Development (which has moved to the Assistant Municipal Manager's department after restructuring) and Properties.

Amidst the challenge of being without a Senior Manager to head the Department all sections operated effectively. The following report reflects on the challenges faced and the outcomes achieved with service delivery.

HOUSING

After a number of frustrating years in housing, this year included, we are on the brink of delivering two major projects which have been forthcoming for a number of years.

Tenders have been called for the installation of services for Erf 325, Pacaltsdorp (904 units) and Touwsranten (401 units) and the contractors are to be appointed very soon. These two projects will be the first with services that are of a standard way beyond the norm in our Province. The size of the houses will be a minimum of 40m^2 with internal walls provided.

The infill erven project is in progress, apart from minor issues with the appointed contractor which are being addressed. A number of 93 houses have been completed and handed over to date.

In Tambo Square and Lusaka, the building of 253 houses has commenced. The houses built within this project are of a very high standard. These houses have solar panels with geysers, which is a first for low cost housing in George and South Africa.

The following also form part of the specifications for these houses:

- the foundations are a minimum of 200mm higher than ground level,
- the houses are plastered and painted on the outside,
- a tiled roof.
- a bathroom with a bath, ceramic toilet and hand basin with a row of tiles above the bath,
- the house has two bedrooms, a full bathroom, a kitchen and an open plan living room area,
- electricity, which includes the following: light fittings and light switches in all rooms,
- meranti windows and doorframes,
- facia boards,
- Ceilings.

The contractor, Mellon Housing Initiative, has just completed 36 similar houses as part of the flood disaster programme during August 2006. At the annual meeting of the Southern African Housing Foundation they were awarded a special merit award for these houses built in George.

The work done in respect of the August 2006 flood was completed during the 2006/7 financial year. An amount of R14 500 000-00 was effectively spent on the following:

•	Kerbs	R4 590 000-00
•	EIA Erf 329	R 50 000-00
•	Resettlement of informal settlers	R1 602 000-00
•	Rebuilding of 36 Bungalow Houses	R1 478 000-00
•	Concrete channels and sub-surface drains	R6 780 000-00

The highlight of this year was the fact that the allocated amount of R14,5 million received from Province was spent within six months. One of the projects of the Housing sub-directorate, namely the construction of concrete channels and sub-surface drains, has been nominated for the Impumelelo Innovations Award for 2007/2008.

This project created 539 job opportunities and realised the appointment of 11 emerging contractors from previously disadvantaged groups. The objective of this project was to introduce the legislative requirements of the Construction Industry Development Board. The successful completion of this project enabled the contractors to register for a higher CIDB grading which would allow them in future to tender for projects with a higher monetary value.

HOUSING ADMINISTRATION

In the past year the following housing properties have been sold:

Church erven (1) R 400 000 Economic erven (29) R 1 295 109 Business Erf (1) R 1,100 000 Total R 2 435 109

During this period 169 Deeds of Sale were signed and a total of 340 transfers have been registered.

HOUSING (LAND MANAGEMENT)

Professional Mobile Mapping (PMM) has been appointed by National Government to do a Housing Demand Database in the George Municipal area. The database will give a clear indication of how many informal settlers as well as backyard dwellers are living in the George municipal area. This project provided several job opportunities to local George residents (mostly unemployed youth).

Constant migration of people to George poses a huge challenge and this section still battles to keep illegal squatting under control.

BUILDING CONTROL

Performance Indicators	2005/06 Actual	2006/07 Actual
Number of plans approved	1433	1486
New dwelling units	321	354
Additions to dwelling units	724	774
New townhouses	122	123
Additions to town houses	60	44
	2005/06 Actual	2006/07 Actual
Flats	65	7
Additions to flats	10	3
New business buildings	9	23
Additions to business buildings	39	48
New industrial buildings	31	35
Additions to industrial buildings	44	59
New additions to other buildings	17	16
Value of plans approved (Rand)	162 367 993	209 778 732
New dwelling units	75 396 841	101 951 431
Additions to dwelling units	90 425 774	83 670 144
New townhouses	2 759 940	2 307 673
Additions to town houses	24 890 655	22 999 901
Flats	5 791 912	1 449 840
Additions to flats	24 870 300	46 925 738
New business buildings	56 562 326	33 668 533
Additions to business buildings	59 831 975	126 894 592
New industrial buildings	33 275 802	44 419 132
Additions to industrial buildings	9 607 230	10 634 536
New and additions to other buildings	545 780 748	684 700 252

TOWN PLANNING

Land use applications finalized by the town planning section

Application	2005/2006	2006/2007
Rezonings	39	93
Subdivisions	43	124
Departures	29	67
Consent use	14	27
Removal of Restrictions	7	20
Structure plan amendment	3	8
Amendment of conditions of approval	-	2
Total	135	341

The Town Planning section has experience a dramatic increase in the number of land use applications. During the 2005/2006 financial year 135 land use applications were finanlized in relation to 341 during 2006/2007 financial year. This increase of more than 120% can be attributed to the strong growth of our economy, but also to hard work and dedication from the officials of the Town Planning section.

The spatial development framework for the George Municipality area is nearing completion. Public open days were held during May 2006. This strategic forward planning document will be finalized by June 2008.

PROPERTIES

Installation of services to the extensions of Levallia and Delville Park residential areas as well as the 13 industrial erven opposite Tamsui Industria have been completed and these erven will be put on the market shortly.

Installation of services to the extension of Pacaltsdorp Industrial area consisting of 43 industrial erven has been completed and will also be marketed shortly.

Judging from the many enquiries received, the availability of properties, irrespective of the zoning, remains in short supply. Municipal property sales and leases realized an amount of R3 598 088.02 and R741 896.07 respectively during the overview period.

Performance Indicators	2005/06 Actual	2006/07 Actual
Ensuring that the alienation and letting of properties are handled effectively and efficiently by:		
* Marketing properties	12	20
* Inviting tenders	10	20

SUMMARY

The Department experienced delays with the implementation of projects, caused by administrative processes such as EIA approvals. As a result of the aforementioned, some of the housing projects could not commence and had to be carried over to the following financial year. Public participation is a key to good governance and proper consultation with all role-players for all projects remains the order of the day.

The retention of scarce skills and human resource development poses major challenges to this Department especially in the Building Control section. Various programmes have been introduced to capacitate internal staff members.

In spite of the various challenges, the Department still managed to achieve the outcomes and the targets set for the financial year. The dedication and co-operation of staff proved to be the successful element in the achievements of all the sections within the Department of Planning and Housing.













2.5 DIRECTORATE: /DIREKTORAAT HEALTH SERVICES GESONDHEIDSDIENSTE

STRATEGIC OBJECTIVE

Reliable, adequate and efficient Environmental Health Services to the public of George (including the rural areas within the municipal boundaries).

1. <u>Service delivery unit: Environmental Health – IDP Key Performance areas</u> and objectives cover by the services

Social Development, Health and Education

Environmental Safety and Security

Animals – Keeping of animals control system in place and enforced.

Environment - Implement environmental management strategies in order to ensure the development, utilisation and conservation of a social and natural environment.

Overview of service provided and narrative on performance for the year

Two full time Environmental Health Practitioners are employed. Their main focus areas are noise and air pollution prevention, overgrown erven, the enforcement of the national legislation regarding smoking in public places, keeping of animals, issuing of business licences, pauper burials and environmental health projects. They were also involved in the public participation process for the Air Quality Management plan for the Eden District Municipality which includes George.

Environmental health education projects included National Water Week, Sanitation Week, Tobacco Week, Environment Day and Arbour Week. The beneficiaries of this projects were crèches, school children, municipal employees and other adults.

All environmental related by-laws such as keeping of livestock, keeping of bees, overgrown erven, smoking policy, pauper burials, application for entertainment licences and applications for business licences were revised.

Performance Indicators	2005/06 Actual	2006/07 Actual
Noise nuisance complaints	19	44
Air Pollution complaints	8	11
Smoking in public places complaints	8	11
Complaints regarding overgrown erven	228	309
Number of complaints received	1176	848
Number of complaints resolved	100 %	100 %
Number of environmental sessions held	3	6
Number of people reached with environmental sessions	1494	876
Uncontrolled Dumping	56	82
Keeping of animal complaints	28	58
Issuing of Business & Entertainment licences	90	39
Pauper burials	31	40
Telephonic Enquiries		404

SERVICE DELIVERY UNITS: SOCIAL DEVELOPMENT

INTRODUCTION

The role of the Social Development Section is to ensure social development, empower and develop the youth, to address challenges facing vulnerable people (children, the aged and disabled), those living with HIV/AIDS and children living on the street and to address gender imbalances.

IDP KEY PERFORMANCE AREAS AND OBJECTIVES COVERED BY SERVICE(S)

Social Assistance and Awareness

To promote social development by addressing the social challenges within George through Social Assistance and Awareness programmes.

Soup kitchens

To address the nutritional needs and enhance the quality of life of children and chronically ill people in the poverty-stricken areas.

Children living on the street (homeless people)

To address the needs of children on the street by providing a safe haven, where they can develop on a social, emotional, physical and intellectual level to ensure their successful reintegration into community of families.

Early Childhood Development

Aimed at providing the infrastructure for preschool children to promote their physical, intellectual and emotional development. The upgrading of crèche facilities and the establishment of well-functioning crèche facilities is a priority of this directorate.

Youth Development

This is the development of young people between the ages of 14 and 35 years to ensure that the vision of Council with reference to the well-being and development of young people are met. The following sectors have been identified:

Education & Health, Community Safety, Sport Development, Arts & Culture, Young Entrepreneurship, Social, Religious and Political Development.

Gender Equality

Aimed at promoting a society in which there is equality between men and women regardless of race, sex, religion, mental status, disability and geographic location.

International Relations

To build relations with other countries to promote co-operation between them and George specifically with reference to social development, youth, gender, disabilities and HIV/AIDS.

Disabilities

Aimed at community involvement, marketing, promotion and education/development to address the rights of people living with disabilities and to create awareness of the challenges which people face on a daily basis.

<u>OVERVIEW OF SERVICES PROVIDED AND NARRATIVE ON PERFORMANCE FOR</u> THE YEAR

SOCIAL DEVELOPMENT

Social Assistance and Awareness Programmes

Various Programmes have been launched within this section, e.g. Anti-littering campaigns, programmes with regards to municipal services and social challenges, organic vegetable gardens that address the nutritional needs of the unemployed and chronically ill people in the community, community groups aimed at skills development and addressing their basic social needs of the unemployed and aftercare centres in the community where learners can do their homework in a quiet and safe environment.

Soup Kitchens

An amount of R 1.2 million was placed on the budget for the running of soup kitchens, which includes R 800 000 for a school feeding programme and R 400 000 for community soup kitchens. The project is currently administered by the ACVV.

Children living on the street (Homeless People)

An amount of R 1 million has placed on the 2005/06 capital budget for the erection of a centre for children living on the street. The centre has been completed and is managed by Youth for Christ (KIDSTOP). This centre accommodates 6 children at a time and they are exposed to life skills programmes to ensure their rehabilitation and integration into the community. A further amount of R 1.5 million has been placed on the 2007/08 budget for the extension of this service.

Early Childhood Development

An old building in Blanco has been restored for the running of a pre-school centre. Various workshops have been held within the community as they will be responsible for the management of the project, once it is up and running.

Performance Indicators	2005/2006 Actual	2006/2007 Actual
Number of educational sessions held	152	238
Number of social programmes launched	19	26
Number of people reached during sessions and		
programs	9716	10 298
Number of beneficiaries of soup kitchen project per	171 828	246 740
month (average)including school feeding scheme and		
community soup kitchens		

The Senior Social Worker and the Youth Co-ordinator serves on the Eden District Task team to develop a strategic gender plan for the district. A draft gender has been developed. Although there is currently no specific gender focal person in the George Municipality, gender development is addressed in the social and youth development projects.

Youth Development

An amount of R 400 000 has been allocated on 2006/07 budget for Social Development of which R 200 000 was utilised for youth development. Several projects and programmes have been launched addressing aimed at the empowerment and development of the local youth, e.g. Drivers Licence Project, computer training, learnerships, ecological garden training, career exhibition, awareness campaigns around disabilities, crime, drug abuse, volunteer training, anti-littering campaigns, Youth Day celebrations, etc

Performance Indicators	2005/2006 Actual	2006/2007 Actual
Number of Youth Projects launched	10	131
Number of People reached	1 141	1910

SERVICE DELIVERY UNIT: HIV/AIDS PROJECTS

IDP KEY PERFORMANCE AREAS AND OBJECTIVES COVERED BY SERVICE(S)

HIV/AIDS

To address the special needs of those infected and affected by HIV/AIDS through education, awareness, social projects and treatment and care projects.

<u>OVERVIEW OF SERVICES PROVIDED AND NARRATIVE ON PERFORMANCE FOR</u> THE YEAR

The HIV/AIDS Sub-committee is divided into three working groups, namely Special Events, Treatment and Care and Education and Awareness. Various programmes have been held in this year, e.g. Khomanani Day, Youth Day, Candlelight Memorial Day, World Aids Day and Women's Day.

Educational programmes held included information and awareness sessions at taverns, amongst sex workers, the youth and community information sessions as well as Voluntary Counselling and Testing at businesses, schools and the community. Approximately 10 979 condoms were distributed at garages, libraries, public toilets, churches and businesses.

Programmes under the Treatment and Care Working Group included: support groups, vegetable gardens, nutritional support to those awaiting disability grants and clothing banks.

Performance Indicators	2005/2006 Actual	2006/2007 Actual
Number of special events organised	6	5
Number of health awareness campaigns held	80	414
Number of people reached with HIV projects	16 268	199 161

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# 2.6 DIRECTORATE: /DIREKTORAAT HUMAN RESOURCES MENSLIKE HULPBRONNE

Human Resources is responsible for ensuring that the organisation's most valuable asset, its employees, are taken care of.

The Human Resources functions include, but are not limited to, administration of employee benefits, recruitment of competent staff, employment equity, training and development of staff, sound labour relations, occupational health and safety and the general support services to enhance staff capacity in the process of realising organisational strategic objectives of service delivery to the community.

Looking back at the 2006/07 financial year, we are pleased to report that the overall performance of the directorate, in supporting and servicing the other directorates has met expected levels. However, we are well aware that we continue to face considerable challenges. We are confident that we are well positioned to meet these challenges head-on in the coming financial year.

I wish to extend my deepest gratitude and thanks to my colleagues for their constructive contribution, dedication and devotion to their tasks. It is much appreciated.

Service Delivery Units: Human Resources

Overview of services provided and narrative on performance for the year

#### **HR Administration**

The provision of a uniform recruitment and selection process is integral to Human Resource's commitment to excellence across all directorates. In this regard a Revised Appointment policy was developed and adopted to provide clear guidelines based on good practice for the recruitment and selection of prospective candidates. In total 158 appointments were made in line with the Appointment policy and Council's Employment Equity targets. Much of these appointments include internal employees who were promoted to higher positions.

Although organisational changes may have caused difficulty in achieving our numerical and employment equity goals, the problem remains that difficulty is experienced in attracting suitably qualified candidates from designated groups for specialised positions.

#### **HR Development**

The Adult Basic Education and Training program commenced in 1993 and has since grown into a fundamental tool that ensure continuous development of Human Capital.

Education as a fundamental Human Right has been adhered to and the Adult Basic Education and Training program, like any other initiative, also faced challenges.

The financial year 2006/07 can be described as watershed, due to the development of an awareness between both employer and employee of the important role that Adult Basic Education and Training has and will play in the future development of the George Municipality and in meeting it's strategic Intergrated Development Plan objectives.

| Performance Indicators | 2005/06<br>Actual | 2006/07<br>Actual |
|------------------------|-------------------|-------------------|
| NUMBER OF PARTICIPANTS |                   |                   |
| ABET Level 1           | 35                | 8                 |
| ABET Level 2           | 15                | 8                 |
| ABET Level 3           | 8                 | 14                |
| ABET Level 4           | 21                | 29                |
| ABET Xhosa Class       | 18                | 34                |
| TOTAL                  | 97                | 93                |

Labour Relations and Occupational Health and Safety employees were outstandingly committed to their different tasks in uplifting service delivery to the employees and the employer. Both fields were challenged with high volumes of commitments, but with the hard work and dedication of employees, achievements were well met. Education for employees in these fields are a priority and was arranged timeously. All Occupational Health and Safety representatives were trained in order to render a professional service to the employees.

Human Resource Development strives with its Occupational Health and Safety section, to motivate the employees to promote a safe working environment, and to educate them through training and learning, whilst keeping them in line by way of Labour Relations and supporting them socially by providing employee assistance.

| Performance Indicators Included in 2006/07 Annual Report OUTCOMES OF DISCIPLINARY HEARINGS | 2005/06<br>Actual | 2006/07<br>Actual |
|--------------------------------------------------------------------------------------------|-------------------|-------------------|
| Verbal warning                                                                             | 6                 | 0                 |
| Written warning                                                                            | 1                 | 4                 |
| Final written warning                                                                      | 5                 | 8                 |
| Suspended without pay                                                                      | 0                 | 2                 |
| Correctional counselling                                                                   | 6                 | 5                 |
| Demotion                                                                                   | 0                 | 0                 |
| Fine                                                                                       | 0                 | 0                 |
| Dismissal                                                                                  | 2                 | 7                 |
| Transfer                                                                                   | 0                 | 0                 |
| TOTAL                                                                                      | 14                | 26                |
|                                                                                            |                   |                   |
| TYPES OF MISCONDUCT                                                                        |                   |                   |
| Bribe                                                                                      | 0                 | 0                 |
| Damage of council's property                                                               | 1                 | 0                 |
| Misuse of council's property                                                               | 1                 | 4                 |
| Insubordination                                                                            | 3                 | 4                 |
| Use of intoxicants                                                                         | 6                 | 13                |
| Unauthorised absence                                                                       | 5                 | 10                |

| Performance Indicators Included in 2006/07 Annual Report        | 2005/06<br>Actual | 2006/07<br>Actual |
|-----------------------------------------------------------------|-------------------|-------------------|
| Fraud                                                           | 1                 | 1                 |
| Sexual harassment                                               | 0                 | 0                 |
| Assault                                                         | 0                 | 1                 |
| Theft                                                           | 0                 | 0                 |
| Other                                                           | 0                 | 2                 |
| TOTAL                                                           | 17                | 35                |
|                                                                 |                   |                   |
| SUSPENSIONS                                                     |                   |                   |
| Number of suspensions                                           | 2                 | 5                 |
|                                                                 |                   |                   |
| OCCUPATIONAL HEALTH AND SAFETY: INJURIES ON DUTY                |                   |                   |
| Received medical attention only                                 | 43                | 42                |
| Temporary disablement                                           | 44                | 64                |
| Permanent disablement                                           | 0                 | 0                 |
| Fatalities                                                      | 0                 | 0                 |
| Total                                                           | 87                | 106               |
| Number of skills development courses                            | 35                | 35                |
| Number of employees attending courses                           | 586               | 690               |
| KPA - The number of people from employment equity target groups |                   |                   |
| employed in compliance with the approved employment equity plan |                   | 158               |

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2.7

DIRECTORATE: /DIREKTORAAT FINANCIAL SERVICES FINANSIËLE DIENSTE

1. <u>INTRODUCTION</u>

The Financial Services Directorate manages the financial affairs of the municipality to ensure the optimum use of all municipal assets. In essense this directorate is the protector and custodian of the public purse as it levies taxes and charges on the public, collects the taxes and charges from the public and administers the expenditure of those taxes and charges on goods, services and assets on their behalf.

The financial processes this directorate manages include budget preparation, budget monitoring, reporting, financial statements, supply chain management including stores/warehousing, investments, loans, valuations, rates, services, credit control and IT support.

A. SERVICE DELIVERY UNIT: HOUSING

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

Housing administration and financial management of the housing fund, repayment of housing loans and selling and letting schemes.

Overview of services provided and narrative on performance for the year

Financial management service was provided to enable the collection of and management of housing rental fees and selling scheme payments.

Reconciliations of the housing loans, selling and letting payments and housing fund were completed on a regular basis.

Assistance to customers was rendered by this section continuously.

Issuing of accounts and collection of all amounts rendered for payment.

| Performance Indicators | 2005/06 | 2006/07 |
|--|---------|---------|
| | Actual | Actual |
| | | |
| Queries of customers attended to | 100 % | 100 % |
| Accounts rendered to housing customers | 100 % | 100 % |
| Reconciliations completed | 100 % | 100 % |

B. SERVICE DELIVERY UNIT: RATES

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

Administration of property rates register and levying of assessment rates on municipal accounts.

Continuous updating off rates register in accordance with interim valuations completed.

Overview of services provided and narrative on performance for the year

The property rates unit managed to incorporate all interim valuations finalised by the municipal valuer.

All the information received from the deeds office was incorporated in the records of the municipality.

The implementation of the various procedures resulted in an increase in the municipal valuation, land and buildings, with the subsequent increase in revenue.

| Performance Indicators | 2005/06
Actual | 2006/07
Actual |
|--|-------------------|-------------------|
| | | |
| Percentage of registered clients billed prior to last working day of month | 100 % | 100 % |
| % of clients billed per month | 100 % | 100 % |
| Owner Property register updated | Quarterly | MONTHLY |
| Months without 5+ legitimate complaints regarding incorrect accounts | 10 | 10 |
| | | |
| Valuation - Taxable Land | R3,0 Billion | R3,1 Billion |
| Valuation - Taxable buildings | R5,7 Billion | R5,9 Billion |

C. SERVICE DELIVERY UNIT: CREDIT CONTROL

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Credit Control.

The implementation and management of the approved Credit Control and Debt Management Policy and the approved Indigent Policy with the main objective to limit the increase in consumer debtors.

Overview of services provided and narrative on performance for the year

This unit provided the service through a process where the following aspects were, inter alia, addressed:

- Reporting monthly re collections and outstanding debts;
- Attending to correspondence and enquiries regularly;
- Handing over of accounts to credit control agent for collection;
- Liaising with credit control agent and attorneys and monitoring collections;
- Ensuring that disconnection of services were made as and when required; and
- Assist consumers regarding arrangements for payment
- Administration of indigent register

| Performance Indicators | 2005/06
Actual | 2006/07
Actual |
|---|-------------------|-------------------|
| | | |
| Actual service terminations expressed as a percentage of proposed | | |
| service terminations | 85% | 97% |
| Indigent applications evaluated | 100% | 98% |
| % of accounts paid | 96% | 96% |
| % of debtors handed over after 150 days | 90% | 100% |
| | | |

D. SERVICE DELIVERY UNIT: STORES/WAREHOUSING

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

The maintenance of acceptable stock levels and limiting stock surpluses and shortages to acceptable levels.

Rendering a service of high standard to all directorates.

Overview of services provided and narrative on performance for the year

This unit rendered a comprehensive service to all directorates, especially the technical directorates.

The unit succeeded in preventing stock shortages to the users, avoid unacceptable delays and maintained stock levels to acceptable levels.

The unit achieved a result regarding surpluses and shortages far above the acceptable norms.

The unit performed excellently.

| Performance Indicators | 2005/06
Actual | 2006/07
Actual |
|---------------------------|-------------------|-------------------|
| | | |
| Value of stock at yearend | R4,200,000 | R5,600,000 |
| Stock surpluses | 0,06 % | 0,01 % |
| Stock losses | 0,07 % | 0,01 % |

E. SERVICE DELIVERY UNIT: COMPUTER NETWORK AND MAINFRAME

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Communication: Administration and Finances.

Rendering an acceptable support service to all directorates regarding internal computer network.

Rendering a support service on the financial system to all directorates, especially the Directorate Financial Services.

Overview of services provided and narrative on performance for the year

The computer network unit addressed all requests from the directorates and handled all calls lodged at the call centre by all the directorates.

This unit also managed the maintenance, development and replacement of computer equipment required on the networks.

The computer mainframe unit rendered their services in such a sufficient manner that all deadlines regarding consumer accounts, salary payments, creditor payments, budgeting documentation, financial statement preparation and statistical data capturing could be achieved.

| Performance Indicators | 2005/06
Actual | 2006/07
Actual |
|--|-------------------|-------------------|
| Months billing deadlines were achieved | 12 | 12 |
| Downtime percentage | 0 % | 1 % |
| Months reporting deadlines achieved | 12 | 12 |

F. SERVICE DELIVERY UNITS: FINANCE, SALARIES, BUDGET OFFICE, FINANCIAL STATEMENTS

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

The financial management of the municipality through applying financial controls, standards, formats, guidelines and principles are determined by the relevant financial legislation.

Overview of services provided and narrative on performance for the year

The following services are, inter alia, provided by these service delivery units:

- Contract and creditor payments;
- ❖ Cash management
- Risk management;
- Investment management;
- Reporting to committees;
- Payment of salaries;
- Budget preparation;
- Budget control;
- Procurement management;
- Asset management;
- Policy maintenance;
- Financial statement preparation;
- Audit communications;
- Statutory reporting; etc.

| Performance Indicators | 2005/06
Actual | 2006/07
Actual |
|--|-------------------|-------------------|
| | | |
| Months during which bank reconciliation have been completed | 12 | 12 |
| Payment of Creditors within 30 days | 100 % | 100% |
| Months that salaries were paid on 25th or last working day prior to 25 th | 12 | 12 |
| Salary Related Deductions transferred prior to 7th of current month | 100 % | 100% |
| % of purchases reflected in asset register | 100 % | 100% |
| Asset Management: Depreciation reflected in asset register | Annually | Annually |
| Percentage of insurance claims settled within 90 days | 95 % | 95% |
| Number of months without unauthorised spending | 12 | 12 |
| Months General Ledger is fully balanced | 12 | 12 |
| Months bank reconciliations complete | 12 | 12 |
| Financial Statements completed | 14/09/2006 | 12/09/2007 |
| Cash management and investment policy approved by Council | YES | YES |
| Budget tabled by 31 March | YES | YES |
| Budget approved by 31 May | YES | YES |

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# 3. MENSLIKE HULPBRON EN ORGANISATORIESE BESTUUR

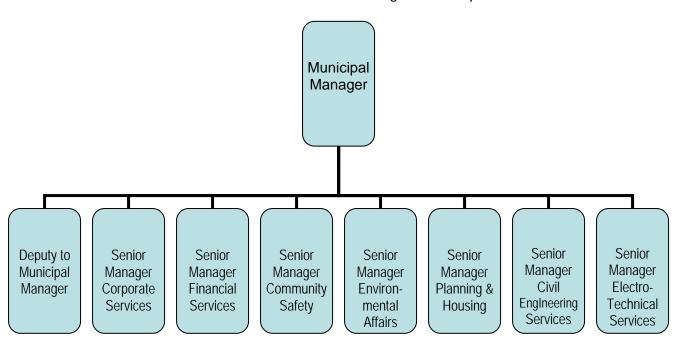
# HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT

#### INTRODUCTION

After more than two years without a Municipal Manager, Mr Cecil Africa took up office on 1 August 2006. With a view to optimally utilising the resources at his disposal to enhance effective service delivery, he initiated a full scale restructuring exercise of the macro organisational structure.

After numerous workshops with various stakeholders the macro organisation of the George Municipality was reviewed in terms of the Municipal Systems Act, (Act 34 of 2000) to ensure that the macro organisation is structured in an effective and efficient manner.

The final outcome was the establishment of eight new departments.



The key performance areas of the above are as follows:

#### Senior Manager: Corporate Services Deputy to Municipal Manager: IDP/Performance Management **Customer Care** 0 0 Participation & Communication **Human Resources** 0 0 Intergovernmental Relations Information Technology 0 0 International Relations Administration 0 0 Councillor Support Registry/Records 0 0 **Legal Services** Committee Services 0 0 **Economic Development** 0 **LED** 0 Senior Manager: Environmental Affairs **Tourism** Cleansing 0 Parks & Recreation 0 Senior Manager: Financial Services (CFO) Cemetries 0 Income/Revenue **Public Open Spaces** 0 0 **Swimming Pools** Expenditure 0 0 **Budget Office Beaches** 0 0 **Financial Statements** Sports 0 0 Supply Chain Management Grounds 0 0 Investments Caravan Parks 0 0 Asset Management & Control Corporate Facilities 0 0 **Valuations** Maintenance 0 0 Insurance 0 Senior Manager: Planning & Housing Senior Manager: Civil Engineering Services Town Planning 0 Roads & Stormwater Development 0 0 Water Control 0 0 Sanitation/Sewerage Spatial Planning 0 0 **Transport** Property/Land Use 0 0 Planning/Traffic Management 0 0 **Environmental Impact Studies Engineering** 0 0 Mechanical Workshop **Building Control** 0 0 Housing 0 Integrated Human Settlements 0 Senior Manager: Electrotechnical Services Senior Manager: Community Safety

- o RED
- o Interaction
- o Distribution
- Street Lighting
- o Client Services Systems
- o Operations/Maintenance
- o Infrastructure Development
- o Electrical Workshop
- o Traffic Lights
- o Fleet Management
- o Vehicle Maintenance

- o Disaster Management
- o Fire Fighting Services
- o Traffic Services
- o Law Enforcement
- o Security Services

#### DEMOGRAPHICAL PROFILE PER OCCUPATIONAL CATEGORY AS AT 30 JUNE 2007

|                                  | AFR     | ICAN   |            | COLOL | JRED   |     | W    | HITE   |     | IN   | DIAN   |     |       |
|----------------------------------|---------|--------|------------|-------|--------|-----|------|--------|-----|------|--------|-----|-------|
| POST LEVEL                       | MALE    | FEMALE | TOT        | MALE  | FEMALE | TOT | MALE | FEMALE | TOT | MALE | FEMALE | тот | TOTAL |
| TOP MANAGE                       | MENT    |        |            |       |        |     |      |        |     |      |        |     |       |
| Municipal Manager<br>& Directors | 0       | 0      | 0          | 2     | 0      | 2   | 1    | 1      | 2   | 0    | 0      | 0   | 4     |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| SENIOR MANA                      |         |        |            |       |        |     |      |        |     |      |        |     |       |
| Post level 1 - 3                 | 3       | 0      | 3          | 5     | 2      | 7   | 12   | 4      | 16  | 0    | 0      | 0   | 26    |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| MIDDLE MANA                      | AGEMENT |        |            |       |        |     |      |        |     |      |        |     |       |
| Post level 4 - 6                 | 4       | 3      | 7          | 27    | 8      | 35  | 27   | 12     | 39  | 1    | 0      | 1   | 82    |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| SKILLED                          |         |        |            |       |        |     |      |        |     |      |        |     |       |
| Post level 7 - 12                | 52      | 23     | <b>7</b> 5 | 111   | 72     | 183 | 39   | 36     | 75  | 0    | 1      | 1   | 334   |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| SEMI-SKILLED                     | )       |        |            |       |        |     |      |        |     |      |        |     |       |
| Post level 13 -16                | 46      | 21     | 67         | 69    | 40     | 109 | 12   | 6      | 18  | 0    | 0      | 0   | 194   |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| UNSKILLED                        |         |        |            |       |        |     |      |        |     |      |        |     |       |
| Post level 17 -19                | 130     | 36     | 166        | 139   | 68     | 207 | 2    | 0      | 2   | 1    | 1      | 2   | 377   |
|                                  |         |        |            |       |        |     |      |        |     |      |        |     |       |
| TOTAL                            | 235     | 83     | 318        | 353   | 190    | 543 | 93   | 59     | 152 | 2    | 2      | 4   | 1017  |

#### APPOINTMENTS AND PROMOTIONS 1 July 2006 to 30 June 2007

|                                  | AFR     | ICAN   |     | COLO | JRED   |     | W    | HITE   |     | IN   | DIAN   |     |       |
|----------------------------------|---------|--------|-----|------|--------|-----|------|--------|-----|------|--------|-----|-------|
| POST LEVEL                       | MALE    | FEMALE | TOT | MALE | FEMALE | TOT | MALE | FEMALE | TOT | MALE | FEMALE | тот | TOTAL |
| TOP MANAGE                       | MENT    |        |     |      |        |     |      |        |     |      |        |     |       |
| Municipal Manager<br>& Directors | 0       | 0      | 0   | 1    | 0      | 0   | 0    | 0      | 0   | 0    | 0      | 0   | 1     |
| SENIOR MANA                      | ACEMENT |        |     |      |        |     |      |        |     |      |        |     |       |
| Post level 1 - 3                 | 0       | 0      | 0   | 0    | 0      | 0   | 0    | 1      | 1   | 0    | 0      | 0   | 1     |
| 1 031 1001 1 - 3                 |         |        |     |      |        |     |      | '      |     |      |        | 0   | •     |
| MIDDLE MANA                      | AGEMENT |        |     |      |        |     |      |        |     |      |        |     |       |
| Post level 4 - 6                 | 2       | 1      | 3   | 6    | 3      | 9   | 4    | 1      | 5   | 0    | 0      | 0   | 17    |
|                                  |         |        |     |      |        |     |      |        |     |      |        |     |       |
| SKILLED                          |         |        |     |      |        |     |      |        |     |      |        |     |       |
| Post level 7 - 12                | 11      | 2      | 13  | 22   | 25     | 47  | 5    | 7      | 12  | 0    | 0      | 0   | 72    |
|                                  |         |        |     |      |        |     |      |        |     |      |        |     |       |
| SEMI-SKILLED                     |         |        |     |      |        |     |      |        |     |      |        |     |       |
| Post level 13 -16                | 5       | 4      | 9   | 3    | 13     | 16  | 1    | 0      | 1   | 0    | 0      | 0   | 26    |
|                                  |         |        |     |      |        |     |      |        |     |      |        |     |       |
| UNSKILLED                        |         |        |     |      |        |     |      |        |     |      |        |     |       |
| Post level 17 -19                | 1       | 7      | 8   | 5    | 27     | 32  | 1    | 0      | 1   | 0    | 0      | 0   | 41    |
|                                  |         |        |     |      |        |     |      |        |     |      |        |     |       |
| TOTAL                            | 19      | 14     | 33  | 37   | 68     | 104 | 11   | 9      | 20  | 0    | 0      | 0   | 158   |

#### SKILLS DEVELOPMENT

The Workplace Skills Plan was submitted to the LGSETA as required by the Skills Development Act, 97 of 1998. The following Skills Development courses were presented:

#### <u>Training and Education provided for the period: 1 July 2006 – 30 July 2007</u>

| Number | Courses                                     | Amount spend per     |
|--------|---------------------------------------------|----------------------|
|        |                                             | course/ intervention |
| 1      | Traffic Officer Training                    | R 41579.16           |
| 2.     | Clients are Welcome                         | R 700.00             |
| 3.     | EAP Course                                  | R 3900.00            |
| 4.     | Diversity Awareness                         | R 66 113.00          |
| 5.     | DB 4 – Computer                             | R 5414.60            |
| 6.     | Mitigation impact of HIV / AIDS in the      | R 1365.00            |
|        | Workplace                                   |                      |
| 7.     | Stress Management                           | R 10280.00           |
| 8.     | Basic Supervision                           | R 14927.00           |
| 9.     | NMDS                                        | R 3900.00            |
| 10.    | Technical Training                          | R 26428.86           |
| 11.    | Key skills for P/A's and Secretaries        | R27280.00            |
| 12.    | Upgrading of Informal Settlements           | R 27280.00           |
| 13.    | Pulsar Training                             | R 14927.27           |
| 14.    | ENaTIS                                      | R 4814.90            |
| 13.    | Computer Training                           | R 15810.78           |
| 14.    | Leading at a Higher Level                   | R 32276.70           |
| 15.    | Compensation for OHS                        | R 26428.86           |
| 16.    | SHE awareness                               | R 25687.08           |
| 17.    | IMPSA                                       | Free                 |
| 18.    | Women Councillor training                   | Free                 |
| 19.    | Lock Out – Tag Out                          | R 26428.86           |
| 20.    | Law Enforcement training                    | R 41617.87           |
| 21.    | Peace Officer training                      | R 63790.00           |
| 22.    | First Aid Training                          | R 14927.75           |
| 23.    | Traffic Officer training                    | R 41617.87           |
| 24.    | Traffic Officer                             | R 32240.59           |
| 25.    | Disciplinary workshop                       | R 5862.96            |
| 26.    | Wiring                                      | R 24298.96           |
| 27.    | Basic Electrical Training                   | R 37982.63           |
| 28.    | P/A Training                                | R 6445.20            |
| 29.    | Metering                                    | R 13674.74           |
| 30.    | Pumpstation control                         | R 9226. 89           |
| 31.    | EPWP                                        |                      |
|        | Contractor training                         |                      |
|        | Supervisor Training                         | R 24860.00           |
| 32.    | Legal Compliance in the appointment process | R 11881.08           |
| 33.    | High Performance P/A or Administrator       | R 6365.00            |

| 35. End-user Training R684.00 36. Conflict Resolution and Negotiation skills R 3400.00 37. Traffic Officer Training R 41580.00 38. Traffic Officer Training (Limpopo) R 191761.00 39. Skills Development Training R 790.00 40. HAZCHEM transport training course R 6669.00 41. Personal Money Management R 61728.15 42. Finance for non financial Managers R 136800.00 |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 37.Traffic Officer TrainingR 41580.0038.Traffic Officer Training (Limpopo)R 191761.0039.Skills Development TrainingR 790.0040.HAZCHEM transport training courseR 6669.0041.Personal Money ManagementR 61728.15                                                                                                                                                         |  |
| 38. Traffic Officer Training (Limpopo) R 191761.00 39. Skills Development Training R 790.00 40. HAZCHEM transport training course R 6669.00 41. Personal Money Management R 61728.15                                                                                                                                                                                   |  |
| 39. Skills Development Training R 790.00 40. HAZCHEM transport training course R 6669.00 41. Personal Money Management R 61728.15                                                                                                                                                                                                                                      |  |
| 40. HAZCHEM transport training course R 6669.00 41. Personal Money Management R 61728.15                                                                                                                                                                                                                                                                               |  |
| 41. Personal Money Management R 61728.15                                                                                                                                                                                                                                                                                                                               |  |
|                                                                                                                                                                                                                                                                                                                                                                        |  |
| 42 Finance for non-financial Managers P 136800 00                                                                                                                                                                                                                                                                                                                      |  |
| 42.   Finance for non-financial Managers   13 130000.00                                                                                                                                                                                                                                                                                                                |  |
| 43. Report Writing R 38580.00                                                                                                                                                                                                                                                                                                                                          |  |
| 44. First Aid Training Level 1 R 28000.00                                                                                                                                                                                                                                                                                                                              |  |
| Total R 1 233 321.76                                                                                                                                                                                                                                                                                                                                                   |  |
|                                                                                                                                                                                                                                                                                                                                                                        |  |

#### Excluding:

- 1. Sustenance & Travelling
- 2.Accommodation expenditure

Apart from the above, a total of just more than R200 000 was spent on both internal and external bursaries, benefitting 55 individuals.

Forty five people are engaged in Learnerships in the Electrical field as well as the Extended Public Works Program.

# 4. LOCAL ECONOMIC DEVELOPMENT PLAASLIKE EKONOMIESE ONTWIKKELING

#### SERVICE DELIVERY UNIT: LOCAL ECONOMIC DEVELOPMENT

Overview of services and narrative on performances for the year

#### GEORGE LOCAL ECONOMIC DEVELOPMENT STRATEGY (GLEDS)

The LED Strategy was approved and adopted by Council during 2006. Said strategy identified five key interventions, viz.:

- Restructuring of the space economy
- Human Resource Development
- Poverty Eradication Strategy
- SMME Development and Support Strategy
- Economic Development Charter and Sector Strategies



Human Resource Development, SMME Development and Support Strategy and the Economic Charter received specific attention in this financial year. The following sections will report on the progress made in these areas.

#### GEORGE LOCAL ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION PLAN (GLEDSIP)

The practical implementation of any strategy is always a challenge. The challenge of implementing GLEDS was therefore regarded as an opportunity to develop a pragmatic implementation plan to carry out the objectives identified. The result is GLEDSIP, approved and adopted by Council during June 2007.

Apart from practical implementation vehicles to address the execution of the interventions identified in GLEDS, GLEDSIP made provision for an *Incentive Policy*, to attract direct and indirect investments to George.

The document further provided for a *revised structure* for the LED Section, including imperative functions such as Communication, Marketing and Tourism.

Agreements with private sector stakeholders were put in place. The aforementioned stakeholders include financial institutions and attorneys, assisting the George LED Section on an ex gratia basis, free of charge, with the evaluation of LED projects, applications for financial assistance and the drawing up of contracts.

GLEDSIP contains detailed documentation on *evaluation procedures and processes*; evaluation takes place according to a technically devised points system, prioritising projects and including a cost/benefit analysis.

Six *potential flagship projects* were evaluated in terms of the initial GLEDSIP documentation, and were prioritised for execution and implementation purposes. One of these included the Masakhane Container Mall, providing trading space for small businesses and entrepreneurs.

Finally, GLEDSIP contained a *PPP (Public Private Partnership) Toolkit*. Four extensive volumes concentrating on best practices, pros and cons pertaining to PPP's, were the result of wide research into this subject.

#### GEORGE ECONOMIC DEVELOPMENT CHARTER (GEDC)

As per one of the original five key interventions identified in GLEDS, work has commenced to develop the George Economic Development Charter (GEDC). Extensive research into economic charters worldwide was performed, and resulted in a series of three workshops held in early June 2007. The three workshops were identical, but each focused on different stakeholder segments to ensure that relevant inputs from interested parties on all community levels were obtained. A draft GEDC was developed and according to various sources, George Municipality will be the first local authority in South Africa with an economic charter. The final document will be tabbed to Council during the next financial year.

#### COMMUNICATION STRATEGY

An item pertaining to the execution of a communication audit and the development of an internal and external communication strategy to promote LED interventions and Council in general, was approved. The primary aim of the communication audit will be to identify possible communication gaps and to utilise the results of the audit to develop an internal and external communication strategy that will promote public participation and lobby support for LED initiatives and to market and brand Council. Invitations for tenders / quotations for the execution of the audit and the development of the relevant communication strategies will be invited during the next financial year. The Head: LED, who recently completed her degree in Master of Arts, with Specialisation in Organisational Communication Research and Practice, was further invited by UNISA to be trained in the "PCI" diagnostic model developed for national and international use, focusing specifically on diagnostic tools for communication audits the subsequent development of and communication strategies.

#### MARKETING AND BRANDING STRATEGY

The development of the short-term marketing and development plan is approximately 85% complete. Only inputs from relevant stakeholders are awaited, after a workshop scheduled for early in the next financial year. The draft plan will then be submitted to the relevant committee for approval and implementation.

The short-term marketing and development plan will form the basis from which a comprehensive marketing/brand/place destination strategy for George will be developed over the next two financial years. The primary aim of this strategy will be to attract potential investors and developers to George to facilitate economic growth and to create the opportunity for significant job creation.

The branding of the City of George as a preferred destination for general tourism, sport tourism, development and investment will be another key substrategy forming part of the comprehensive marketing/brand/place destination strategy.

#### SMME STRATEGY

Quotations were invited for the compilation of a SMME Database, but the project had to be cancelled due to unforeseen circumstances involving the tenderer. This project will be considered again for the 2008/9 financial year, as it was not budgeted for in the 2007/8 financial year.

#### SKILLS DEVELOPMENT STRATEGY

The successful completion of the Skills Development Survey for the George municipal area provided great insight into the skills gaps.

The survey provided information on possible skills gaps, over- and under-supply of skills, and the availability of skills development programmes in George to address the possible skills gaps.

The data obtained in the final report on the skills audit will be utilised as a base for the development of a skills development strategy. It is envisaged that the skills development strategy will address the skills gaps through identifying relevant knowledge partners that can develop programmes to deal with possible skills gaps and supplying skills development programmes that will enhance the opportunities for employment of participants.

#### SKILLS DEVELOPMENT CENTRE

The establishment of the George Municipality Skills Development Centre addressed one of the remaining five key interventions identified in GLEDS. The Centre has two fully equipped classrooms, one located in the George Tourism Building and the other in Pacaltsdorp.

Courses are aimed at the unemployed and appointed skills service providers strive to focus on the youth and women in particular. Course material is approved and underwritten by the Nelson Mandela Metropolitan University and certification from Lyceum College is currently awaited. The following modules pertaining specifically to approved computer training material are presented:

- Introduction to PC's
- MS Windows
- MS Word Basic and Advanced
- MS Excel Basic and Advanced
- MS Powerpoint Basic and Advanced
- Internet
- E-mail



Participants can further be trained in the following:



- Train the Trainer
- Basic Entrepreneurship Skills
- Basic Business Skills
- Basic Life Skills
- Arts and Crafts
- Flower Arrangement.

The Skills Development Centre received wide praise; an exclusive interview appeared in the *Service Delivery* Magazine, in which the George Centre was upheld as best practice example of practically addressing human resource development in a local municipal area. Although the centre only became fully operational during the second half of this financial year, more than 250 students successfully completed their respective courses. A Graduation Ceremony is held for each group after completion of the full range of subjects.

#### TOURISM STRATEGY

Quotations were invited for the execution of a tourism analysis. The due date for the completion of this analysis is during the first quarter of the next financial year. The primary aim of the tourism analysis is to compile an all-encompassing database of existing and potential tourist attractions and tourism facilities in the George municipal area, existing and potential tourism development and promotion initiatives in George and existing and potential developmental tourism interventions aimed at the inclusion of entrepreneurs from the 2<sup>nd</sup> economy.

This analysis phase will form the basis of an envisaged tourism strategy to be developed during the next financial year.

#### **HUMAN RESOURCES AND TRAINING**

Although this section currently consists of only two employees, a revised and extended structure to promote LED and Communication/Marketing, has been approved.

The Senior Clerk: LED has successfully registered at UNISA for the National Diploma in Management and is currently busy with his second semester.

The Head: LED successfully completed a degree in Master of Arts in Organisational Communication Research and Practice and will receive this degree during the September 2007 graduation ceremony. She was subsequently invited to participate in the "PCI" diagnostic communication audit and strategy development model developed by Prof G Angelopulo at UNISA. A report in this regard will be tabled to Council in due course.

The Head: LED was nominated to attend the Senior Management Development Programme presented by the University of Stellenbosch Business School. The course is conducted over four weeks and several assignments had to be completed in order to acquire a pass mark for the course. The course was completed during May 2007 and the results are still outstanding.

The position of LED Assistant was advertised and applications closed on 25 August 2006. The LED Clerk, Mr R Dyantyi, was the successful candidate. The position of

LED Clerk was then advertised, but none of the short-listed candidates were found to be competent. This position will be re-advertised as soon as possible.

The LED Section will move to the Old Library building (also occupied by the George Tourism Bureau) in July 2007. The LED Section will fund the reparations and upgrading planned for the building and it is envisaged that apart from the one classroom, a LED Resource Centre will be established there.

#### LED FUNDING POLICY

The Head: LED developed an interim LED Funding Policy to ensure that the funds budgeted for LED is spent in line with the mandate provided to LED by the Constitution, the guidelines of the MFMA and other relevant legislation. The interim LED Funding Policy was approved by Council during September 2006.

#### **OTHER**

#### Bennie Niemand Farming Project

Mr Bennie Niemand approached the LED Section offering land, infrastructure and entering into markets for a framing project to be established between him and 14 women trained by him in collaboration with the Experimental Farm, Elsenburg College in Stellenbosch and the Department of Agriculture. An item pertaining to the funding of equipment and mentorship fees for the project was submitted and a final decision in this regard is expected during the last quarter of the current financial year.

#### Marketing and Promotion of George

Several marketing paraphernalia were designed and developed. These included, inter alia, four new quick screens for utilisation at exhibitions and workshops, promotional bookmarks, promotional pens, promotional soft cover folders and promotional fake leather folders.

A weekly half-page in the George Herald is utilised for marketing and information purposes pertaining to LED projects and initiatives. Presentations to key private sector stakeholders, e.g. the Garden Route Mall Ambassador Club, Probus Club, etc. ensured the building of networks and relationships for LED mentorships and other initiatives. A strategic partnership between George Municipality and the Garden Route Mall is currently being negotiated.

Promotional and marketing text and photos were designed and developed for inclusion in, inter alia, the Western Cape Business Guide, Opportunity Magazine, the Garden Route Mall Gazette, Portfolio of Municipalities and the SA Rugby magazine. An online page has been designed and placed with the George Business Chamber website and approval was obtained for an online page on the Trade and Invest website; the contract is for three months and will commence during the last quarter of the current financial year.

South Cape Business Centre is currently acting as the business services partner of Council in respect of the development of business plans, project feasibility studies, tendering assistance and relevant business services. A letter was also forwarded to the Western Cape Provincial Government to obtain accreditation for South Cape Business Centre as RED Door Centre as they already have the infrastructure and a RED Door facility is not available in George. An answer from WCPG is still awaited.

#### Ad Hoc Job Creation - Projects

Two temporary workers were appointed to conduct a survey for a tavern in Blanco. Approval for the establishment of a barbershop was obtained and the person was furnished with LED funds for equipment. The SMME Database project, before it was terminated, ensured temporary employment for approximately 32 unemployed people. Several of the learners participating in the courses presented at the Skills Development Centre obtained casual jobs due to their newly acquired knowledge. Approximately 20 people were provided with temporary jobs during the survey for the skills development audit. Local emerging businesses were awarded quotations for the presentation of certain courses, the translation of policy documents and the development of a Business Start-Up Manual.

Approximately 20 students who graduated successfully from the Skills development Programme at George Municipality, were offered various in-house training opportunities with several store owners at the Garden Route Mall, as a result of the negotiations between the LED Section and GR Mall Management. This project has the potential to expand and will continuously be upgraded. ACSA also expressed interest in this regard in addition to several other companies.

Two entrepreneurs were introduced into the system by the LED Section, and assisted with the computer training and the development of the short-term marketing plan respectively.

#### Southern Ambition Bricks and Concrete

A letter was forwarded as well as several follow-up calls were made to the MEC for Housing to obtain approval for utilising several erven in Thembalethu for the expansion of this initiative as well as the establishment of a business hive on the remainder of the land. An answer is still awaited.

#### Tourism Area Offices

The George Wilderness Tourism Bureau eventually received final approval for the funding for the establishment of two area tourism offices, one each in Pacaltsdorp and Thembalethu. Land was acquired from Council for the construction of these offices.

An item was submitted to the Housing and Land Affairs Committee pertaining to an offer from Eden Connect to establish a Call Centre in George with George Municipality as pilot client. It was adjudicated that a delegation of two officials and two Councillors will further investigate the benefits of such a venture for Council and the community before a final decision is taken.

#### Sakh'Ubunye Training Centre

The LED Section was approached by the abovementioned training centre for assistance with training initiatives. They are already accredited by the Department of Labour and need assistance with expanding their training initiatives and programmes to ensure entry of their trainees into the job market. A feasibility study into the project is currently underway and it is possible that the facilitation of partnerships between the training centre and employment agencies can form part of the assistance. They also requested assistance with the development of marketing brochures.

#### Chemical Engineering Project

This Project is currently being evaluated for viability and funding options.

#### Thembalethu Farming Project

Farming project for 29 farmers from Thembalethu currently being investigated.

#### Furniture / wood Manufacturing

Assistance with marketing and evaluation for two furniture / wood manufacturing SMME's.

#### "Spanhout" Project

Research on project currently being conducted.

#### Men on the Side of the Road

Land was provided by Council to utilise as office space and a gathering place for unemployed workers. Equipment was financed from LED funds during the last quarter of the financial year.

#### Winnie Madikizela-Mandela Home for the Aged

Furniture and computer equipment were donated to this new centre in Thembalethu.

#### Masakhane Container Mall

An item submitted directly to the Executive Mayor ensured approval of the lease of the land to the current occupants of this property. Funding for the store owners were also approved, on condition that they apply for it in the prescribed manner.

Advertisements for objections are currently awaited from another section before the project can proceed, but temporary arrangements were put in place by the LED Section to supply the centre with running water and to repair at least three toilets.

Quotations for the upgrading of this container mall were invited unsuccessfully on two occasions and a decision in this regard will be made in the new financial year as funds were budgeted for this project on the capital budget.

#### Sikhula Agri Training Project

This farming/vegetable produce project includes approximately 30 women. Land was secured and funding approved from the LED budget for the training of the women, continuous mentorship and the purchasing of material and equipment.

#### 2010

The LED Section actively participates in planning processes and steering committees relating to the possible hosting of a team/teams during the 2010 World Soccer Cup.

#### District Communication Forum

The Head: LED formed part of the team drafting the district communication plan and will attend the launch of this forum in July 2007.

#### Other Projects

A total number of 475 entrepreneurs/emerging businesses were interviewed by the LED Section and assistance was provided with, inter alia, the following: development of marketing catalogues, possible mentorship programmes (wood manufacturing), referrals to SCBC and other spheres of government for business services (tendering, business plans, access to funding, etc.), project evaluations and feasibility studies. A total of 103 jobs were directly created through LED initiatives and interventions and just over 200 indirect job opportunities were indirectly secured. These figures include both temporary and permanent job opportunities.

#### CONCLUSION

Although many misconceptions still exist around both the purpose and the practical implementation of LED within local authorities, this section received wide support from both the political and administrative bodies of Council. Fruitful relationships with major private sector stakeholders were established and the section is looking forward to building on these in future.





# ANNUAL FINANCIAL STATEMENTS

30 JUNE 2007



MUNISIPALITEIT MUNICIPALITY U-MASIPALA

# 

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## COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY AS AT 30 JUNE 2007

EXECUTIVE MAYOR ALDERMAN B PETRUS

EXECUTIVE DEPUTY MAYOR COUNCILLOR P H DE SWARDT COUNCILLOR EJ VON BRANDIS

WARD COUNCILLOR / ALDERMAN

| WARD |   | COUNCILLOR / ALDERMAN |
|------|---|-----------------------|
| 1    | - | AC LAWS               |
| 2    | - | C NEETHLING           |
| 3    | - | CW POTGIETER          |
| 4    | - | RA KRUGER             |
| 5    | - | ML RUITERS            |
| 6    | - | AT JANTJIES           |
| 7    | - | F Z NTOZINI           |
| 8    | - | E MEYER               |
| 9    | - | T TEYISI              |
| 10   | - | JS THANDA             |
| 11   | - | NF KAMTE              |
| 12   | - | FS GUGA               |
| 13   | - | CT WILLIAMS           |
| 14   | - | HJ JONES              |
| 15   | - | C M REMAS             |
| 16   | - | RW LONDT              |
| 17   | - | D MARITZ              |
| 18   | - | SJ BEZUIDENHOUT       |
| 19   | - | EJ VON BRANDIS        |
| 20   | - | MJ MBUZWANA           |

#### PROPORTIONALLY ELECTED COUNCILLORS

JST ALBERTS PS LEHOLO **AA ARRIES** J NCAMAZANA JJ MULLER M MTILA PH DE SWARDT **B PETRUS** M DRAGHOENDER J PRETORIUS PJL GROBLER ML RABINOWITZ PJ VAN DER HOVEN IA HADLEY PB KOMANI AJ VAN ZYL NA BITYI W WITBOOI

**BM CORNELIUS** 

#### COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY

#### GENERAL INFORMATION AS AT 30 JUNE 2007

#### **EXECUTIVE MAYOR-IN-COMMITTEE** FINANCE AND HUMAN RESOURCES COMMITTEE

**Executive Mayor** 

Alderman **Bazil Petrus** 

P H de Swardt

**Deputy Executive Mayor** 

M Draghoender P.J.I. Grobler J S T Alberts C M Remas A Arries

S J Bezuidenhout

Chairperson J S T Alberts Deputy Chairperson P H de Swardt

> A A Arries M Draghoender D Maritz R W I ondt M L Rabinowitz

C T Williams

#### ADMINISTRATION AND SOCIAL SERVICES COMMITTEE

Chairperson: M Draghoender Deputy Chairperson: C M Remas

B M Cornelius A C Laws C W Potgieter A J van Zyl F Guga S Thanda

#### TECHNICAL SERVICES COMMITTEE

Chairperson: P H de Swardt Deputy Chairperson: C M Remas

A T Jantijes C Neethling M L Ruiters W Witbooi C T Williams J J Muller

#### HOUSING AND LAND AFFAIRS COMMITTEE

Chairperson: A A Arries Deputy Chairperson: R A Kruger

> D Maritz A A Arries H J Jones E Meyer M Mtila

J Pretorius

#### TRAINING COMMITTEE

A A Arries M Draghoender R A Kruger F Guga P Komani

#### LABOUR FORUM

A A Arries M L Ruiters A T Jantijes M Draghoender C Neethling P S Leholo T Teyisi

Municipal Manager

Director: Human Resources Director: Management and

Administration

#### URBAN RENEWAL COMMITTEE

Chairperson: P H de Swardt

J J Muller PJL Grobler **H** Jones I V Hadley N Ntozini

#### COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY

#### GENERAL INFORMATION AS AT 30 JUNE 2007

#### EMPLOYMENT EQUITY CONSULTATION

**FORUM** 

Chairperson: A A Arries

M Draghoender C Neethling A T Jantjies S J Bezuidenhout

N Bityi N Kamte R W Londt M L Ruiters

Municipal Manager

Director: Human Resources

#### LANGUAGE POLICY COMMITTEE

Chairperson: P H de Swardt

B M Cornelius A T Jantjies P J L Grobler P S Leholo I V Hadley

#### SISTER CITY

A A Arries M Draghoender

D Maritz T Teyisi S Thanda A J van Zyl

#### SPECIAL PROJECTS

Chairperson: M Draghoender

B M Cornelius E Meyer C M Remas

J Ncamazana C T Williams

#### **ENVIRONMENTAL SERVICE COMMITTE**

Chairperson: PJL Grobler

P H de Swardt J J Muller H J Jones E Meyer A T Jantjies I V Hadley J Pretorius

#### **COUNCILLOR FOR SPORT**

Councillors: P J L Grobler

#### **HOMAGE COMMITTEE**

Chairperson: P H de Swardt :

B M Cornelius C M Remas E Meyer N Kamte

Julia Ncamazana

#### **COUNCILLOR FOR YOUTH**

D Maritz

#### **VOLUNTARY RETIREMENT PACKAGES**

M Draghoender JST Alberts AA Arries J Mbuzwana

#### CODE OF CONDUCT FOR COUNCILLORS COMMITTEE

Chairperson: P H de Swardt

J S T Alberts
P S Leholo
E Meyer
C T Williams

NB The secunde for DA-alliance members is Councillor D Maritz and the secunde for ANC members is

Councillor M Mtila

# COUNCILLORS OF THE GEORGE LOCAL MUNICIPALITY GENERAL INFORMATION AS AT 30 JUNE 2007

#### SAFETY AND SECURITY COMMITTEE

Chairperson: SJ Bezuidenhout

AJ van Zyl D Maritz AJ Jantjies A A Arries RA Kruger

P J van der Hoven

N Ntozini

#### **DEMARCATION COMMITTEE**

Chairperson: C Neethling

R W Londt JJ Muller ML Rabinowitz

M Mtila

### GEORGE LOCAL MUNICIPALITY GENERAL INFORMATION

#### **AS AT 30 JUNE 2007**

#### **GRADING OF LOCAL AUTHORITY**

**GRADE 4** 

#### **AUDITORS**

Auditor-General

#### **BANKERS**

**ABSA Bank** 

P O Box 326, George, 6530

#### **REGISTERED OFFICE**

Civic Centre P O Box 19 Telephone 044 801 9111

York Street George Fax 044 873 3776

George 6530 E-mail: <u>Ihfourie@george.org.za</u>

#### **DIRECTOR: FINANCIAL SERVICES**

L H FOURIE

Registered Municipal Accountant B.COM; AIMFO

#### **MUNICIPAL MANAGER**

CM AFRICA

M PHILL, HOUSING DEVELOPMENT AND MANAGEMENT

#### **GEORGE LOCAL MUNICIPALITY**

#### VOORWOORD DEUR DIE UITVOERENDE BURGEMEESTER, RAADSHEER BAZIL PETRUS

# PREFACE BY THE EXECUTIVE MAYOR ALDERMAN BAZIL PETRUS



Die finansiële state die van munisipaliteit is nie net 'n dokument vol syfers en rekenkundige inligting nie. Dit is die eindproduk van 'n proses wat begin het met die identifisering van inwoners se menslike behoeftes, soos skoon water of 'n veilige verkeersvloei. Hierdie behoeftes is vertolk in 'n GOP en 'n begroting. Die belangrikste fase in hierdie proses was die uitvoering van planne om die welstand van die inwoners van George te verbeter.

Dit is daarom 'n eer en voorreg om die finansiële state van die 2006/2007 finansiële jaar voor te lê. Dit is 'n rekord van die prestasies van die munisipaliteit gedurende die afgelope jaar. Ek is trots daarop dat ek deel daarvan kon wees.

Baie dankie aan elke personeellid, elke lid van die gemeenskap en elke raadslid wat 'n bydrae tot hierdie prestasies gelewer het.

financial The statements of the municipality is not just a document containing pages of figures and financial information. It is the culmination of a process which started with the identification of human needs residents, be it clean water or a safe flow of traffic. These needs were transferred into an IDP and a budget. The most important stage of this process was the execution of the plans to improve the well-being of the residents of George.

It is therefore an honour and privilege to present the financial statements of the 2006/2007 financial year. It is a record of the achievements of the municipality for the year under review. I am proud to have been part of these achievements.

Thank you very much for every staff member, every community member and every councillor who contributed to these achievements.

## **GEORGE LOCAL MUNICIPALITY**

### OPSOMMING VAN FINASIËLE RESULTATE 2006/2007

SUMMARY OF FINANCIAL RESULTS 2006/2007

Die finansiële resultate van die afgelope jaar kan soos volg opgesom word:

The financial results of the year under review can be summarised as follows:

|                                        | Inkomste/<br>Income<br>R | Uitgawe/<br>Expenditure<br>R | Surplus<br>(tekort) (deficit)<br>R |
|----------------------------------------|--------------------------|------------------------------|------------------------------------|
| Begroting / Budget<br>2006/2007        | 509 649 981              | 509 458 459                  | 191 522                            |
| Wysigings /<br>Amendments              | (5 735 999)              | (5 720 775)                  | (15 224)                           |
| Gewysigde Begroting/<br>Amended Budget | 503 913 982              | 503 737 684                  | 176 298                            |
| Werklik / Actual<br>2006/2007          | 574 134 357              | 482 926 756                  | 91 207 601                         |
|                                        | 70 220 375               | 20 810 928                   | 91 031 303                         |

Die resultate van die kapitaal begroting is soos volg:

The result achieved on the capital budget is as follows:

| Begrote uitgawe 2006/2007 / Budgeted expenditure     | R 229 611 998 |
|------------------------------------------------------|---------------|
| Wysigings goedgekeur 2006/2007 / Amendments approved | (R 7 163 365) |

 Werklike uitgawes 2006/2007 /Actual expenditure
 R 222 448 633

 R 203 616 600

Omvattende kommentare sal in die jaarverslag ingesluit word.

Netto Resultaat / Nett Result:

My hartlike dank aan die Burgemeesterskomitee, Raadslede, die Munisipale Bestuurder, Direkteure en Personeel vir hul ondersteuning en harde werk gedurende die afgelope jaar. Comprehensive comments will be included in the annual report.

R 18 832 033

I would like to express my appreciation to the Mayoral Committee, Councillors, Municipal Manager, Directors and Personnel for their support and hard work during the past financial year.

RAADSHEER BAZIL PETRUS
UITVOERENDE BURGEMEESTER

ALDERMAN BAZIL PETRUS EXECUTIVE MAYOR

## GEORGE LOCAL MUNICIPALITY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

|                                            |      |                                       | <del> </del>     |
|--------------------------------------------|------|---------------------------------------|------------------|
|                                            | Note | 2007                                  | 2006             |
|                                            |      | R                                     | R                |
| NET ASSETS AND LIABILITIES                 |      |                                       |                  |
| Net assets                                 |      | 648,023,592                           | 555,299,657      |
| Housing Development Fund                   | 1    | 61,588,891                            | 64,675,692       |
| Capital replacement reserve                | 2    | 91,531,817                            | 56,150,592       |
| Capitalisation reserve                     | 2    | 95,650,568                            | 106,504,644      |
| Government grant reserve                   | 2    | 128,962,021                           | 88,777,522       |
| Donations and public contribution reserves | 2    | 4,329,820                             | 2,987,786        |
| Accumulated Surplus/(Deficit)              | _    | 265,960,475                           | 236,203,422      |
|                                            |      |                                       | ,                |
| Non-current liabilities                    |      | 225,627,487                           | 139,332,944      |
| Long-term liabilities                      | 3    | 225,627,487                           | 139,332,944      |
| Non-current provisions                     | 4    | 0                                     | 0                |
| Current lightlities                        |      | 494 000 045                           | 00 700 500       |
| Current liabilities                        | _    | 131,639,345                           | 92,768,522       |
| Consumer deposits                          | 5    | 8,676,783                             | 8,100,233        |
| Provisions                                 | 6    | 586,197                               | 1,563,608        |
| Creditors                                  | 7    | 81,457,182                            | 50,219,020       |
| Unspent conditional grants and receipts    | 8    | 30,017,165                            | 21,220,866       |
| Current portion of long-term liabilities   | 3    | 10,902,018                            | 11,664,795       |
| Total Net Assets and Liabilities           |      | R 1,005,290,424                       | R 787,401,123    |
|                                            |      | · · · · · · · · · · · · · · · · · · · | <del></del>      |
| ASSETS                                     |      |                                       | ·                |
| Non-current assets                         |      | 609,192,119                           | 457,296,404      |
| Property, plant and equipment              | 10   | 605,722,253                           | 432,270,715      |
| Intangible Assets                          | 32   | 1,157,061                             | 1,127,119        |
| Long-term Debtors                          | 12   | 2,312,805                             | 23,898,570       |
| ·                                          |      |                                       | · . <del>-</del> |
| Current assets                             |      | 396,098,306                           | 330,104,719      |
| Investments                                | 11   | 18,079,515                            | 15,956,587       |
| Inventory                                  | 13   | 9,262,131                             | 6,362,636        |
| Consumer debtors                           | 14   | 29,454,992                            | 26,025,593       |
| Other debtors                              | 15   | 23,390,818                            | 28,182,730       |
| Current portion of long-term debtors       | 12   | 5,658,625                             | 2,637,934        |
| VAT - receivable from SARS                 | 9    | 8,528,303                             | 2,358,856        |
| Bank,Cash and Cash Equivalents             | 16   | 301,723,922                           | 248,580,383      |
|                                            |      |                                       | -                |
| Total Assets                               |      | R 1,005,290,424                       | R 787,401,123    |
| n/sts/2007                                 |      |                                       |                  |
| g/afs/2007                                 |      |                                       |                  |

## GEORGE LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE

## FOR THE YEAR ENDED 30 JUNE 2007

|                                                          | Note | Actual<br>2007 | Actual<br>2006 |
|----------------------------------------------------------|------|----------------|----------------|
|                                                          |      | R              | R              |
| EVENUE                                                   |      |                |                |
| roperty rates                                            | 17   | 106,885,341    | 96,448,081     |
| roperty rates - penalties imposed and collection charges |      | 2,840,983      | 2,927,687      |
| ervice charges                                           | 18   | 285,993,661    | 253,397,852    |
| ental of facilities and equipment                        |      | 2,110,543      | 2,137,060      |
| nterest earned - external investments                    |      | 30,732,121     | 19,723,708     |
| nterest earned - outstanding debtors                     |      | 3,368,217      | 2,827,192      |
| ines                                                     |      | 6,367,663      | 9,443,885      |
| icences and permits                                      |      | 2,327,128      | 2,120,720      |
| ncome for agency services                                |      | 5,381,712      | 4,373,474      |
| overnment grants and subsidies Received - Operating      | 19   | 57,110,089     | 44,257,575     |
| overnment grants and subsidies Received - Capital        | 19   | 46,855,095     | 18,492,277     |
| Other income                                             | 33   | 50,458,620     | 38,267,578     |
| ains on disposal of property, plant and equipment        |      | 287,598        | 1,795,290      |
| ess: Revenue Foregone                                    | 17   | (26,584,411)   | (24,291,562)   |
| •                                                        |      |                | (2 //20 //002/ |
| otal Revenue                                             |      | R 574,134,357  | R 471,920,816  |
| XPENDITURE                                               |      |                |                |
| mployee related costs and Social contribution            | 20   | 134,520,117    | 110,467,605    |
| emuneration of Councillors                               | 21   | 8,390,559      | 5,070,236      |
| ad debts                                                 | 45   | 22,958,121     | 13,688,794     |
| ollection costs                                          |      | 3,843,238      | 3,729,682      |
| epreciation and amortisation                             | 44   | 31,185,558     | 25,862,991     |
| epairs and maintenance                                   |      | 53,573,187     | 46,145,153     |
| iterest paid                                             | 22   | 14,501,649     | 10,159,811     |
| ulk purchases                                            | 23   | 80,813,538     | 70,429,849     |
| ontracted services                                       |      | 32,933,080     | 28,352,058     |
| rants and subsidies paid                                 | 24   | 27,047,643     | 25,301,844     |
| eneral expenses                                          | 43   | 104,547,648    | 76,550,245     |
| oss on disposal of property, plant and equipment         |      | 2,738          | 71,272         |
| terest internal Borrowings                               |      | 4,603,460      | 2,839,870      |
| ontributions To/From Provision                           |      | 0              | 1,020,000      |
| lernal charges                                           | 34   | 40,315,237     | 33,503,108     |
| ross Expenditure                                         |      | R 559,235,773  | R 453,192,518  |
| ess: Amounts Charged out                                 |      | 76,309,017     | 69,420,835     |
| ett Expenditure                                          |      | R 482,926,756  | R 383,771,684  |
|                                                          |      | 102,020,100    | 1. 000,771,004 |
| hare of surplus/(deficit) of associate accounted for     |      |                |                |
| nder the equity method                                   |      | 0              | 0              |
|                                                          |      | R 91,207,601   | R 88,149,133   |

GEORGE LOCAL MUNICIPALITY

# STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

|                                            | Housing     | Capital      | Capitalisation | Government  | Donations and | Accumulated  | lotal       |
|--------------------------------------------|-------------|--------------|----------------|-------------|---------------|--------------|-------------|
|                                            | Development | Replacement  | Reserve        | Grant       | Public        | Surplus/     |             |
|                                            | Fund        | Reserve      |                | Reserve     | Contribution  | (Deficit)    |             |
|                                            | •           |              |                |             | Reserve       |              |             |
|                                            | Я           | ď            | R              | R           | æ             | œ            | œ           |
| 2006                                       |             |              |                |             |               |              |             |
| Balance at 1 July 2005                     | 60,831,859  | 50,426,208   | 118,140,322    | 76,188,022  | 3,090,812     | 156,822,183  | 465,499,406 |
| Correction of prior period error (note 36) | 0           | 0            | 0              | 0           | 0             | 501,688      | 501,688     |
|                                            | 0           | 0            | 0              | 0           | 0             | 2,510,115    | 2,510,115   |
| Restated balance                           | 60,831,859  | 50,426,208   | 118,140,322    | 76,188,022  | 3,090,812     | 159,833,986  | 468,511,209 |
| Surplus/(deficit) for the year             |             |              |                |             |               | 88,149,133   | 88,149,133  |
| Adjustment of Investments (Note 36 (ii) )  |             |              |                |             |               | (1,360,685)  | (1,360,685) |
| Transfer to CRR                            |             | 43,710,072   |                |             |               | (43,710,072) | 0           |
| Property, plant and equipment purchased    |             | (37,985,687) |                |             |               | 37,985,687   | 0           |
| Capital grants used to purchase PPE        |             |              |                | 18,492,277  |               | (18,492,277) | 0           |
| Transfer to Housing Development Fund       | 3,843,833   |              |                |             |               | (3,843,833)  | 0           |
| Offsetting of depreciation                 |             |              | (11,635,678)   | (5,902,778) | (103,026)     | 17,641,483   | 0           |
| Balance at 30 June 2006                    | 64,675,692  | 56,150,592   | 106,504,644    | 88,777,521  | 2,987,786     | 236,203,422  | 555,299,657 |
|                                            |             |              |                |             |               |              |             |
| 2007                                       |             |              |                |             |               |              |             |
| Balance at 1 July 2006                     | 64,675,692  | 56,150,592   | 106,504,644    | 88,777,521  | 2,987,786     | 236,203,422  | 555,299,657 |
| Surplus/(deficit) for the year             |             |              |                |             |               | 91,207,601   | 91,207,601  |
| Transfer to CRR                            |             | 96,365,168   |                |             |               | (96,365,168) | 0           |
| Property, plant and equipment purchased    |             | (60,983,943) |                |             |               | 60,983,943   | 0           |
| Capital grants used to purchase PPE        |             |              |                | 46,855,095  |               | (46,855,095) | 0           |
| Donated/contributed PPE                    | ,           |              |                |             | 1,516,333     |              | 1,516,333   |
| Transfer to/fromHousing Development Fund   | (3,086,801) |              |                |             |               | 3,086,801    | 0           |
| Offsetting of depreciation                 |             |              | (10,854,076)   | (6,670,594) | (174,299)     | 17,698,970   | (0)         |
| Balance at 30 June 2007                    | 61,588,891  | 91,531,818   | 95,650,568     | 128,962,022 | 4,329,820     | 265,960,474  | 648,023,591 |
| g/magda/state/2005/state 2005              |             |              |                |             |               |              |             |

## GEORGE LOCAL MUNICIPALITY

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

|                                                        | Note    | 2007            | 2006           |
|--------------------------------------------------------|---------|-----------------|----------------|
| CASH FLOW FROM OPERATING ACTIVITIES                    |         | R               | R              |
| Cash receipts from ratepayers, government and other    |         | 652,279,279     | 540,750,882    |
| Cash paid to suppliers and employees                   |         | (518,404,629)   | (422,011,897   |
| Cash generated from (utilised in) operations           | 25      | 133,874,650     | 118,738,985    |
| Dividends received                                     |         | 0               | 0              |
| Interest received                                      |         | 34,100,338      | 22,550,900     |
| Interest paid                                          | 22      | (14,501,649)    | (10,159,811    |
| NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES      |         | R 153,473,339   | R 131,130,074  |
|                                                        |         |                 |                |
| CASH FLOWS FROM INVESTING ACTIVITIES                   |         |                 |                |
| Purchase of property, plant and equipment              | 10.3    | (202,675,852)   | (141,005,880   |
| Proceeds on disposal of property, plant and equipment  |         | 306,076         | 1,931,127      |
| Payments for intangible assets                         | 32      | (510,486)       | (1,466,224     |
| Increase in investment properties                      |         | 0               | 0              |
| (Increase)/decrease in non-current receivables         | 12      | 18,565,074      | 6,578,354      |
| Increase in current investments                        | 36      | 0               | 0              |
| Increase in non-current investments                    | 11      | (2,122,928)     | (8,269,006     |
| Decrease in call investment deposits                   |         | 0               | 0              |
| NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES      |         | (R 186,438,116) | (R 142,231,628 |
| CASH FLOWS FROM FINANCING ACTIVITIES                   |         |                 |                |
| New loans raised                                       | 3       | 86,294,543      | 71,800,75      |
| increase in consumer deposits                          | 5       | 576,550         | 1,868,92       |
| (Decrease)/increase in short-term loans                | 3       | (762,777)       | (1,315,859     |
| NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES      |         | R 86,108,316    | R 72,353,816   |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS  |         | R 53,143,539    | R 61,252,261   |
| Cash and cash equivalents at the beginning of the year | 26 + 36 | 248,580,383     | 187,328,122    |
| Cash and cash equivalents at the end of the year       | 26      | 301,723,922     | 248,580,383    |

#### 1. BASIS OF PREPARATION

#### 1.1 Annual Financial Statements

The annual financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarized as follows:

| GRAP 1                | Presentation of Financial Statements                                                  |  |  |  |
|-----------------------|---------------------------------------------------------------------------------------|--|--|--|
| GRAP 2                | Cash Flow Statements                                                                  |  |  |  |
| GRAP 3                | Accounting Policies, Changes in Accounting Estimates and Errors                       |  |  |  |
| GAMAP 4               | The Effects of Changes in Foreign Exchange Rates                                      |  |  |  |
| GAMAP 6               | Consolidated financial statements and accounting for controlled entities              |  |  |  |
| GAMAP 7               | Accounting for Investments in Associates                                              |  |  |  |
| GAMAP 8               | Financial Reporting of Interests in Joint Ventures                                    |  |  |  |
| GAMAP 9               | Revenue                                                                               |  |  |  |
| GAMAP 12              | Inventories                                                                           |  |  |  |
| GAMAP 17              | Property, Plant and Equipment                                                         |  |  |  |
| GAMAP 19              | Provisions, Contingent Liabilities and Contingent Asset                               |  |  |  |
| GAMAP 6, 7 and        | GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these |  |  |  |
| standards relate to t | he municipality's separate financial statements.                                      |  |  |  |

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality are set out in Appendix J to the annual financial statements and have been provided in the notes to the annual financial statements.

Compliance with aspects or parts of the standards which had been exempted by the Minister of Finance in terms of General Notice 552 of 2007, which are not specifically included in the accounting policies which follows (and/or which relate to the annual financial statements as a whole), are the following:

#### Changes in accounting policies (GRAP 3.14, 19)

The progress made towards achieving full compliance with the standards referred to in section 122(3) of the MFMA is measured against the municipality's implementation plan, as set out in Appendix J to the annual financial statements. This appendix also includes an explanation of the extent to which the information in the annual financial statements would need to be adjusted for full compliance with these standards.

Apart from those issues involving estimates, management has made no judgments in the process of applying the accounting policies which would give a significant effect on the amounts of items recognized in the financial statements.

A summary of the significant accounting policies adopted in the preparation of these annual financial statements, which have been consistently applied except where an exemption has been granted are disclosed below.

#### 1.2 Consolidated Financial Statements

The consolidated annual financial statements incorporate the financial statements of the municipality and its municipal entities, which the municipality owns or over which the municipality has the power to exercise beneficial control over the financial and operating policies.

On acquisition, the assets and liabilities of the entities are recognised at fair value. The interests of minorities are stated at the fair values of the assets and liabilities recognised.

The results of the entities acquired and disposed of are, respectively, included from the effective dates of acquisition, and to the effective dates of disposal. These results are processed to revenue or expensed in the Statement of Financial Performance.

To the extent that the assets and liabilities of entities are re-valued, the revaluation is taken directly to net assets in the Statement of Changes in Net Assets.

Where necessary, adjustments to the annual financial statements of the municipal entities are made to bring the accounting policies used into line with those used by the municipality.

Inter group transactions and balances, and any unrealised gains or losses arising from inter group transactions, are eliminated on consolidation.

The accounting method used to account for the controlled entities in the separate annual financial statements of the municipality is disclosed in accounting policy note 10.2 below.

Consolidated annual financial statements had not been compiled for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007, from complying with section 122(2) of the MFMA. In accordance with this General Notice, Appendix K to the annual financial statements includes the annual financial statements of each of the municipality's entities. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 1.3 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

#### 2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

#### 3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

#### 4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Interest earned on investments backing up this fund is recorded as interest earned in the Statement of Financial Performance.

The following provisions are set for the utilisation of the Housing Development Fund:

- The fund is utilised for housing developments in accordance with the national housing policy and also for housing development projects approved by the MEC for housing.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

#### 5. RESERVES

The municipality creates and maintains Funds and Reserves in terms of specific requirements.

#### 5.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the net surplus of the year or the accumulated surplus to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan, subject to affordability in the budget process.

Interest earned on the CRR investment is recorded as interest earned in the Statement of Financial Performance where after such interest may be transferred from the Accumulated Surplus to the CRR.

Profit made from the disposal of property, plant and equipment is recorded in the Statement of Financial Performance, where after such profit may be transferred from the Accumulated Surplus to the CRR.

The CRR may only be utilised for the purpose of purchasing / construction of items of property, plant and equipment and may not be used for the maintenance of these items.

#### 5.2. Capitalisation Reserve (CR)

On the implementation of GAMAP, the balances on certain legislated funds that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive issued by National Treasury. The purpose of this reserve is to promote consumer equity.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to accumulated surplus / (deficit).

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus / (deficit).

The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus / (deficit).

#### 5.3. Government Grant Reserve and the Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the government grant recorded as revenue in the statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus / (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus / (deficit).

When items of property, plant and equipment are financed from donations or public contributions, the same accounting policy relating to the Government Grant Reserve is applied. A separate reserve is created to separately identify items of property, plant and equipment financed from Public Contributions and Donations in terms of a directive issued by National Treasury.

#### 6. PROPERTY, PLANT AND EQUIPMENT (PPE)

- 6.1 Property, plant and equipment assets are stated:
  - At cost, less accumulated depreciation and accumulated impairment losses, except land which is stated at cost. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.
  - At fair value at date of acquisition less accumulated depreciation and accumulated impairment losses where assets have been acquired by grant or donation.
- 6.2 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- 6.3 Assets are capitalised in terms of the approved asset management policy
- 6.4 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, thus it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended, are examples of subsequent expenditure which should be capitalised.

6.5 Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation methods was not reviewed in the previous and current financial years as it is required by GAMAP 17, as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

Depreciation only commences when the asset is brought into use.

The annual depreciation rates are based on the following estimated asset lives:-

#### FIXED ASSET LIVES

| Description                  | Asset Life | Group | Sub-asset | Asset Type |
|------------------------------|------------|-------|-----------|------------|
| r P                          | In Years   |       | Type      | J.         |
|                              |            | Α     |           |            |
| INFRASTRUCTURE ASSETS        |            |       |           |            |
|                              |            |       |           | ı          |
| ELECTRICITY                  |            | Α     | ELEC      |            |
| Power stations               | 30         | A     | ELEC      | POWST      |
| Cooling towers               | 30         | A     | ELEC      | COOLT      |
| Transformer kiosks           | 30         | Α     | ELEC      | TRAKS      |
| Meters                       | 20         | A     | ELEC      | METE       |
| Load control equipment       | 20         | Α     | ELEC      | LOADC      |
| Switchgear equipment         | 20         | Α     | ELEC      | SWGR       |
| Supply/reticulation          | 20         | Α     | ELEC      | SUPRE      |
| Mains                        | 20         | Α     | ELEC      | MAINE      |
|                              | 1          |       | 1         |            |
| ROADS                        |            | Α     | ROADS     |            |
| Motorways                    | 15         | A     | ROADS     | MOTWY      |
| Other roads                  | 10         | A     | ROADS     | ROADS      |
| Traffic islands              | 10         | Α     | ROADS     | TRISL      |
| Traffic lights               | 20         | A     | ROADS     | TRLIT      |
| Street lighting              | 25         | Α     | ROADS     | STLIT      |
| Overhead bridges             | 30         | A     | ROADS     | OVBRD      |
| Stormwater drains            | 20         | A     | ROADS     | SWDRN      |
| Bridges, subways & culverts  | 30         | Α     | ROADS     | BRIDG      |
| Car parks                    | 20         | A     | ROADS     | CPARK      |
| Bus terminals                | 20         | A     | ROADS     | BTERM      |
| Street names & traffic signs | 20         | A     | ROADS     | TSIGN      |
|                              |            |       | 1         |            |
| WATER                        |            | A     | WATER     |            |
| Meters                       | 15         | A     | WATER     | METW       |
| Mains                        | 20         | A     | WATER     | MAINW      |
| Rights                       | 20         | A     | WATER     | RIGHT      |
| Supply/reticulation          | 20         | A     | WATER     | SUPRW      |
| Reservoirs & tanks           | 20         | A     | WATER     | TANKW      |
| Pump stations                | 20         | A     | WATER     | PUMPW      |
| •                            | 1          |       |           | 1          |
| GAS                          |            | A     | GAS       |            |
| Meters                       | 20         | A     | GAS       | METG       |
| Mains                        | 20         | A     | GAS       | MAING      |
| Storage tanks                | 20         | A     | GAS       | TANKG      |
| Supply/reticulation          | 20         | A     | GAS       | SUPRG      |
| ***                          |            | ı     | 1         |            |

| Description                          | Asset Life | Group | Sub-asset | Asset Type |
|--------------------------------------|------------|-------|-----------|------------|
|                                      | In Years   |       | Type      |            |
| SEWERAGE                             |            | A     | SEWER     |            |
| Sewers                               | 20         | A     | SEWER     | SEWER      |
| Outfall sewers                       | 20         | A     | SEWER     | OUTFL      |
| Purification works                   | 20         | A     | SEWER     | PURWK      |
| Sewerage pumps                       | 15         | A     | SEWER     | SPUMP      |
| Sludge machines                      | 15         | A     | SEWER     | SLDMC      |
|                                      |            |       |           |            |
| PEDESTRIAN MALLS:                    |            | A     | PEDES     |            |
| Footways                             | 20         | A     | PEDES     | FOOTW      |
| Kerbing                              | 20         | A     | PEDES     | KERB       |
| Paving                               | 20         | A     | PEDES     | PAVE       |
|                                      |            |       |           |            |
| AIRPORTS                             |            | A     | AIRPT     |            |
| Aprons                               | 20         | A     | AIRPT     | APRON      |
| Runways                              | 20         | Α     | AIRPT     | RUNWY      |
| Taxiways                             | 20         | Α     | AIRPT     | TAXIW      |
| Airports/radio beacons               | 20         | Α     | AIRPT     | RADBN      |
|                                      |            | •     | •         | •          |
| SECURITY MEASURES                    |            | Α     | SECM      |            |
| Fencing                              | 3          | A     | SECM      | FENCE      |
| Security systems                     | 5          | A     | SECM      | SECUR      |
| Access control                       | 5          | A     | SECM      | ACCES      |
|                                      |            |       |           |            |
| COMMUNITY ASSETS                     |            | В     |           |            |
| BUILDINGS                            |            | В     | BLDC      |            |
| Ambulance stations                   | 30         | В     | BLDC      | AMBST      |
| Aquariums                            | 30         | В     | BLDC      | AQUAM      |
| Beach developments                   | 30         | В     | BLDC      | BEACH      |
| Care centres                         | 30         | В     | BLDC      | CAREC      |
| Cemeteries ####                      | 30         | В     | BLDC      | CEMET      |
| Civic theatres                       | 30         | В     | BLDC      | THEAT      |
| Clinics/hospitals                    | 30         | В     | BLDC      | HOSP       |
| Community centres                    | 30         | В     | BLDC      | COMC       |
| Fire stations                        | 30         | В     | BLDC      | FIRES      |
| Game reserves/rest camps             | 30         | В     | BLDC      | GAMER      |
| Indoor sports                        | 30         | В     | BLDC      | INSPT      |
|                                      |            |       |           |            |
| Libraries  Mysaym/out galleries      | 30         | B     | BLDC      | LIBR       |
| Museum/art galleries                 |            |       | BLDC      | MUSE       |
| Parks Public conveniences/bathhouses | 30         | В     | BLDC      | PARKS      |
|                                      | 30         | В     | BLDC      | PUBCN      |
| Recreation centres                   | 30         | В     | BLDC      | RECRC      |
| Stadiums                             | 30         | В     | BLDC      | STADM      |
| Zoos                                 | 30         | В     | BLDC      | ZOOS       |
| Churches                             | 30         | В     | BLDC      | CHURC      |
| Informal housing                     | 20         | В     | BLDC      | INFH       |
| Monuments                            | 30         | В     | BLDC      | MONUM      |
| Municipal buildings                  | 30         | В     | BLDC      | MUNB       |
| Municipal houses                     | 20         | В     | BLDC      | MUNH       |
| Police stations                      | 30         | В     | BLDC      | POLST      |
| Post offices                         | 30         | В     | BLDC      | POSTO      |

| Description                      | Asset Life<br>In Years | Group | Sub-asset | Asset Type |
|----------------------------------|------------------------|-------|-----------|------------|
|                                  | III Tears              |       | Type      |            |
| RECREATIONAL FACILITIES          |                        | В     | RECFC     |            |
| Bowling greens                   | 20                     | В     | RECFC     | BOWLG      |
| Tennis courts                    | 20                     | В     | RECFC     | TENCT      |
| Swimming pools                   | 20                     | В     | RECFC     | SWIMP      |
| Golf courses                     | 20                     | В     | RECFC     | GOLFC      |
| Jukskei pitches                  | 20                     | В     | RECFC     | JUKSK      |
| Outdoor sports facilities        | 20                     | В     | RECFC     | OUTSP      |
| Organ and case                   | 20                     | В     | RECFC     | ORGAN      |
| Lakes and dams                   | 20                     | В     | RECFC     | LAKES      |
| Fountains                        | 20                     | В     | RECFC     | FOUNT      |
| Floodlighting                    | 20                     | В     | RECFC     | FLDLT      |
| Netball courts                   | 20                     | В     | RECFC     | NETBL      |
|                                  |                        | 1     |           | 1          |
| OTHER ASSETS                     |                        | D     |           |            |
|                                  |                        |       |           |            |
| BUILDINGS                        |                        | D     | BLDO      |            |
| Abattoirs                        | 30                     | D     | BLDO      | ABATR      |
| Asphalt plant                    | 30                     | D     | BLDO      | ASPH       |
| Cable stations                   | 30                     | D     | BLDO      | CABST      |
| Caravan parks                    | 30                     | D     | BLDO      | CARAP      |
| Cinemas                          | 30                     | D     | BLDO      | CINEM      |
| Compacting stations              | 30                     | D     | BLDO      | COMPS      |
| Hostels – public/tourist         | 30                     | D     | BLDO      | HOSTP      |
| Hostels – workers                | 30                     | D     | BLDO      | HOSTW      |
| Housing schemes                  | 30                     | D     | BLDO      | HSCHM      |
| Kilns                            | 30                     | D     | BLDO      | KILNS      |
| Laboratories                     | 30                     | D     | BLDO      | LABOR      |
| Markets                          | 30                     | D     | BLDO      | MARKT      |
| Nurseries                        | 30                     | D     | BLDO      | NURSR      |
| Office buildings                 | 30                     | D     | BLDO      | OFBLD      |
| Old age homes                    | 30                     | D     | BLDO      | OLDAG      |
| Quarries ####                    | 30                     | D     | BLDO      | QUAR       |
| Tip sites ####                   | 30                     | D     | BLDO      | TIPST      |
| Training centers                 | 30                     | D     | BLDO      | TRNC       |
| Transport facilities             | 30                     | D     | BLDO      | TRNFC      |
| Workshops/depots                 | 30                     | D     | BLDO      | WRKSH      |
| Farms                            | 30                     | D     | BLDO      | FARMS      |
| Other land e.g. Driver's testing | 30                     | D     | BLDO      | OTHLA      |
| Vacant land                      | 30                     | D     | BLDO      | VACLA      |
| OFFICE EQUIPMENT                 |                        | D     | OFFEQ     |            |
| Computer hardware                | 5                      | D     | OFFEQ     | COMHW      |
| Computer software                | 3-5                    | D     | OFFEQ     | COMSW      |
| Office machines                  | 3-5                    | D     | OFFEQ     | OFFMC      |
| Air conditioners                 | 5-7                    | D     | OFFEQ     | AIRCN      |
| FURNITURE AND FITTINGS           |                        | D     | EUDM      | 1          |
|                                  | 7-10                   | D     | FURN      | CHAID      |
| Chairs Tables (deeks             |                        | D     | FURN      | CHAIR      |
| Tables/desks                     | 7-10                   | D     | FURN      | TABLE      |
| Cabinets/cupboards               | 7-10                   | D     | FURN      | CABNT      |
| Miscellaneous                    | 7-10                   | D     | FURN      | MISCF      |

| Description                 | Asset Life | Group | Sub-asset | Asset Type                              |
|-----------------------------|------------|-------|-----------|-----------------------------------------|
| •                           | In Years   | Î     | Type      | • • • • • • • • • • • • • • • • • • • • |
|                             |            |       |           |                                         |
| BINS AND CONTAINERS         |            | D     | BINS      |                                         |
| Household refuse bins       | 5          | D     | BINS      | HHREF                                   |
| Bulk containers             | 10         | D     | BINS      | BULKB                                   |
|                             | T          | T     |           | T                                       |
| EMERGENCY EQUIPMENT         |            | D     | EMERE     |                                         |
| Fire                        | 15         | D     | EMERE     | FIREE                                   |
| Ambulances                  | 15         | D     | EMERE     | VEHAM                                   |
| Fire hoses                  | 5          | D     | EMERE     | HOSEF                                   |
| Emergency light             | 5          | D     | EMERE     | LIGEM                                   |
|                             |            | T =   | Licomon   | 1                                       |
| MOTOR VEHICLES              |            | D     | MOTOR     |                                         |
| Fire engines                | 20         | D     | MOTOR     | VEHFE                                   |
| Buses                       | 15         | D     | MOTOR     | VEHBS                                   |
| Motor vehicles              | 5-7        | D     | MOTOR     |                                         |
|                             |            |       |           | VEH                                     |
| Motor cycles                | 3          | D     | MOTOR     | VEHCY                                   |
| Trucks/bakkies              | 5-7        | D     | MOTOR     | VEHTK                                   |
|                             |            |       |           |                                         |
| AIRCRAFT                    |            | D     | AIRCR     |                                         |
| Aircraft/balloons           | 15         | D     | AIRCR     | <b>VEH</b> AC                           |
|                             |            |       |           |                                         |
| WATERCRAFT                  |            | D     | WATCR     |                                         |
| Watercraft/boats            | 15         | D     | WATCR     | <b>VEH</b> BT                           |
|                             |            |       |           |                                         |
| PLANT AND EQUIPMENT         |            | D     | PLANT     |                                         |
| Graders                     | 10-15      | D     | PLANT     | <b>VEH</b> GR                           |
| Tractors                    | 10-15      | D     | PLANT     | VEHTR                                   |
| Mechanical horses           | 10-15      | D     | PLANT     | VEHMH                                   |
| Farm equipment              | 5          | D     | PLANT     | <b>VEH</b> FR                           |
| Lawnmowers                  | 2          | D     | PLANT     | VEHLM                                   |
| Compressors                 | 5          | D     | PLANT     | <b>VEH</b> CP                           |
| Laboratory equipment        | 5          | D     | PLANT     | EQUPL                                   |
| Radio equipment             | 5          | D     | PLANT     | EQUPR                                   |
| Firearms                    | 5          | D     | PLANT     | FRARM                                   |
| Telecommunication equipment | 5          | D     | PLANT     | EQUPT                                   |
| General                     | 5          | D     | PLANT     | GENPL                                   |
| Cable cars                  | 15         | D     | PLANT     | CABCR                                   |
| Irrigation systems          | 15         | D     | PLANT     | IRRIG                                   |
| Cremators                   | 15         | D     | PLANT     | CREMS                                   |
| Lathes                      | 15         | D     | PLANT     | LATHE                                   |
| Milling equipment           | 15         | D     | PLANT     | EQUPM                                   |
| Conveyors                   | 15         | D     | PLANT     | CONVY                                   |
| Feeders                     | 15         | D     | PLANT     | FEEDR                                   |
| Tippers                     | 15         | D     | PLANT     | TIPR                                    |
| Pulverising mills           | 15         | D     | PLANT     | PULV                                    |
| Broom – drawn               | 5          | D     | PLANT     | BRMDN                                   |
| Caravan                     | 5          | D     | PLANT     | CARAV                                   |
| Cleaner – steam             | 5          | D     | PLANT     | CLNST                                   |
| Compactor - landfill        | 5          | D     | PLANT     | COMPL                                   |
| Compactor - plate           | 5          | D     | PLANT     | COMPP                                   |

| Description                          | Asset Life | Group | Sub-asset | Asset Type |
|--------------------------------------|------------|-------|-----------|------------|
|                                      | In Years   |       | Type      |            |
| Compactor truck - refuse             | 5-7        | D     | PLANT     | VEHCT      |
| Canopy                               | 5          | D     | PLANT     | CANOP      |
| Control system – co-driver           | 5          | D     | PLANT     | CONCD      |
| Drill – concrete                     | 5          | D     | PLANT     | DRLC       |
| Dumper - concrete                    | 5          | D     | PLANT     | VEHCD      |
| Electrical equipment                 | 5          | D     | PLANT     | EQUEL      |
| Equipment/apparatus Clinic/Hospital  | 5          | D     | PLANT     | EQHOS      |
| Equipment/ apparatus - Traffic       | 5          | D     | PLANT     | EQTRF      |
| Generator                            | 5          | D     | PLANT     | GENER      |
| Hoist – refuse bins                  | 5          | D     | PLANT     | HSTRB      |
| Loader – drill                       | 5          | D     | PLANT     | LOADD      |
| Loader – front-end                   | 5          | D     | PLANT     | LOADF      |
| Mixer – concrete                     | 5          | D     | PLANT     | MIXCN      |
| Outboard motor                       | 5          | D     | PLANT     | OUTBR      |
| Pumps                                | 5          | D     | PLANT     | PUMPS      |
| Road maintenance equipment           | 10         | D     | PLANT     | VEHRM      |
| Roller – mechanically driven         | 5          | D     | PLANT     | VEHMR      |
| Roller – pavement                    | 5          | D     | PLANT     | ROLPV      |
| Roller – water/ballast               | 5          | D     | PLANT     | ROLWB      |
| Street sweeper – mechanically driven | 5          | D     | PLANT     | VEHSS      |
| Tools                                | 5          | D     | PLANT     | TOOLS      |
| Trailers                             | 5          | D     | PLANT     | TRAIL      |
| Welder                               | 5          | D     | PLANT     | WELD       |
|                                      |            |       |           |            |
| OTHER – General                      |            |       |           |            |
| Animals – pound                      | 5          | D     | OMISC     | ANIPD      |
|                                      |            |       |           |            |
|                                      |            | С     | (any)     | (any)      |
| HERITAGE                             |            |       |           |            |
| Buildings                            | -          | C     | BLDH      | HEBLD      |
|                                      | •          |       | •         | •          |
|                                      |            | E     | (any)     | (any)      |
| INVESTMENTS                          |            |       |           |            |

#### #### Sum-of-units method of depreciation may be preferred.

- 6.6 Where there is an indication that an asset may be impaired, the recoverable amount of the assets is measured and the asset's value is written down from its carrying amount to its recoverable amount. The corresponding impairment loss is charged as an expense to the Statement of Financial Performance. However for the previous and current year under review, the municipality did not perform impairment testing on its assets as is required by GAMAP 17 and IAS 36 / AC128, as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the abovementioned General notice.
- Assets are written off on disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised as a profit or loss in the Statement of Financial Performance.
- 6.8 The classification, measurement and disclosure of non-current assets held for sale as required by IFRS 5.6 29 (in so far as it relates to non-current assets held for sale) and IFRS 5.38 42 had not been performed for the current or previous financial years as these requirements have been

exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

6.9 The review of useful lives, the review of the depreciation method, the impairment of non-cash generating assets, and the impairment of cash generating assets have not been reviewed nor impaired for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 7. INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis over the useful lives of intangible assets, which is estimated to be 2 to 5 years. Where intangible assets are deemed to have indefinite useful lives, such intangible assets are not amortised.

Intangible assets that have indefinite useful lives are tested for impairment annually.

Where an intangible asset has been impaired, the carrying value of the intangible asset is written down to its recoverable amount. The corresponding impairment loss is charged as an expense to the Statement of Financial Performance.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The entire IAS 38 / AC 129, except for the recognition, measurement and disclosure requirements of computer software and website costs (SIC 32) have been exempted in terms of General notice 552 of 2007 and had not been applied for either the prior or the current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 8. INVESTMENT PROPERTY

Land and/or buildings that meet the 'investment property' definition have in the current and prior years been accounted for in accordance with GAMAP 17. The requirements of IAS 40 / AC 135 have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 9. INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of costs, determined on the first in first out basis, and net realisable value.

Unsold properties are valued at the lower of cost or net realisable value on a actual cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to its present location and condition.

Redundant, damaged and slow-moving inventories are identified and written down with regard to their estimated net realisable values. Consumables are written down with regard to their age, condition and utility.

Repaired / upgraded stock is shown at cost plus the cost of repair / upgrade.

The entire GAMAP 12, to the extent that it relates to water stock that was not purchased by the municipality, has been exempted in terms of General notice 552 of 2007. The current year accounting policy is in accordance with the exemption stated in the above-mentioned General notice.

The municipality has accounted for immovable capital assets as inventory for the previous and current year under review. This requirement has been exempted in terms of General notice 552 of 2007, but the municipality had received permission to deviate from this exemption.

#### 10. FINANCIAL INSTRUMENTS AND INVESTMENTS

#### 10.1 FINANCIAL INSTRUMENTS

#### 10.1.1 Recognition and categorization

Non-derivative financial instruments comprise various types of financial instruments and these can be broadly categorised as either **financial assets** or **financial liabilities**.

A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the municipality's contractual rights to the cash flows from the financial assets expire or if the municipality transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the municipality commits itself to purchase or sell the asset. Financial liabilities are derecognised if the municipality's obligations specified in the contract expire or are discharged or cancelled (IAS 32.61, 66(a)).

#### FINANCIAL ASSETS

**A financial asset** is any asset that is cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term deposits
- Short-term deposits
- Short-term deposits EFF invested
- Short-term deposits Grants invested
- Investments in RSA Government Stock
- Long-term debtors
- Consumer debtors
- Other debtors
- Current portion of long-term debtors
- VAT receivable
- Bank balances and cash
- Investment in municipal entities.

In accordance with IAS 39.09 the **financial assets** of the municipality are classified as follows into one of the four categories allowed by this standard:

| Type of financial asset               | Classification in terms of IAS<br>39.09 |
|---------------------------------------|-----------------------------------------|
|                                       |                                         |
| Long-term deposits                    | Held to maturity                        |
| Short-term deposits                   | Held to maturity                        |
| Short-term deposits – EFF invested    | Held to maturity                        |
| Short-term deposits – Grants invested | Held to maturity                        |
| Investments in RSA Government Stock.  | Held to maturity                        |
| Long-term debtors                     | Loans and receivables                   |
| Consumer debtors                      | Loans and receivables                   |
| Other debtors                         | Loans and receivables                   |
| VAT receivable                        | Loans and receivables                   |
| Current portion of long-term debtors  | Loans and receivables                   |
| Bank balances and cash                | Available for sale                      |
| Investment in municipal entities      | Available for sale                      |
|                                       |                                         |

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the municipality's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. (IAS 7.46)

#### FINANCIAL LIABILITIES

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Local registered stock loans
- Annuity loans
- Other loans
- Creditors
- Consumer deposits
- Unspent conditional grants and receipts
- Current portion of long term liabilities

There are two main categories of **financial liabilities**, classified based on how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Not at fair value through profit or loss ('other financial liabilities')

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities are classified as financial liabilities that are not measured at fair value through profit or loss.

In accordance with IAS 39.09 the **financial liabilities** of the municipality are classified only as financial liabilities that are not measured at fair value through profit or loss because none of the following instruments are held for trading.

| Type of financial liability                   | Classification in terms of IAS 39.09                                          |
|-----------------------------------------------|-------------------------------------------------------------------------------|
| Financial liabilities                         |                                                                               |
| Long-term liabilities (Current & non-current) | Financial liability that is not measured at fair value through profit or loss |
| Consumer deposits                             | Financial liability that is not measured at fair value through profit or loss |
| Creditors                                     | Financial liability that is not measured at fair value through profit or loss |
| Unspent conditional grants                    | Financial liability that is not measured at fair value through profit or loss |

Creditors are stated at their nominal value.

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method. (IAS 32.66(c))

The initial measurement of the financial assets and financial liabilities at fair value have not been revalued for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 10.1.2 Measurement

Financial Instruments are recognised and measured at cost in the current and prior financial years. The requirement of IAS 39.43, AG 64, AG 65, AG 79 and SAICA Circular 09/2006, that financial instruments should initially be measured at fair value, have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### Financial assets:

Held to maturity investments and loans and receivables are initially measured at cost, which represents its fair value and subsequently measured at amortised cost. Financial assets at fair value and available for sale financial assets are initially and subsequently measured at fair value with the

profit or loss being recognised in the Statement of Financial Performance (except for the above-mentioned exempted financial years).

#### Financial liabilities:

Financial liabilities that are not held for trading are measured at amortised cost using the effective interest rate method.

#### 10.1.3 Impairment of financial assets: debtors

Consumer debtors, long-term debtors and other debtors are stated at its anticipated realisable value, thus its cost less an estimated provision for bad debts. The provision is made on an individual basis or group of all outstanding amounts at year-end, based on expected cash flows.

At each balance sheet date an assessment is made of whether there is any objective evidence of impairment of financial assets. If there is evidence then the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39 as an expense in the Statement of Financial Performance.

## Separate classes of loans and receivables were assessed for impairment using the following methodologies:

#### Consumer debtors

**Consumer Debtors** are stated at cost less a provision for bad debts. The provision is made in accordance with IAS 39.64 whereby the recoverability of Consumer Debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

According to IAS 39.64, the assessment for impairment needs to be made for each individual financial asset separately or for groups of financial assets with similar credit risks. George municipality has +/- 34,000 consumer debtors and management is of the opinion that it is impracticable to assess every consumer debtor individually. The following methodology was followed to make a provision for bad debts for the year under review:

- Management decided to review the consumer debtors individually (considering factors as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc. Consumer debt (i.e. the total was grouped together into groups of financial assets with similar credit risk): Government, Business and Households.
- No provision for bad debts was made for Government debtors because theoretically there should be no risk of non recovery.
- Businesses were reviewed individually for impairment and a payment ratio was determined for this group.
- Household debts are individually assessed by Council Credit Control and Debt Collection Agency to determine the risk of non-recovery. Their reports on individual house-holds capabilities to pay outstanding debts are used to provide for bad debts.

#### Other Debtors

Other Debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for bad debts is made accordingly.

Long-term debtors

#### **Housing Loans**

The loans in this group are assessed by reviewing their payment histories and ratios. Provision for bad debts is made accordingly.

#### **Actaris Meter Debts**

It is envisaged that Council will decide to write these debts of poor and indigent house-holds off during the following financial period. This amount is provided for in full.

#### Other Long-Term Debtors

No provision for bad debts is made for Other Long-Term Debtors, because it is envisaged that these debts will be fully recovered.

#### 10.1.4 Impairment of financial assets: other financial assets

The municipality also assess at the Statement of Financial Position date whether there is objective evidence that any of its financial assets, other than the debtors mentioned above, is impaired, in accordance with IAS 39.58 - .70.

#### 10.1.5 Disposal of investments

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

#### 10.2 INVESTMENT IN MUNICIPAL ENTITIES

Municipal controlled entities are those entities which the municipality owns or over whose financial and operating policies it has the power to exercise beneficial control.

The municipality accounts for these entities as investments in terms of GAMAP 6 and IAS 39.

Consolidated annual financial statements had not been compiled for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007, from complying with section 122(2) of the MFMA. In accordance with this General Notice, Appendix K to the annual financial statements includes the annual financial statements of each of the municipality's entities. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

The investments in municipal entities have not been accounted for in the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 11. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

#### **Credit Risk**

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral is specified.

#### **Liquidity Risk**

- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.
- A maturity analysis for financial liabilities (where applicable) that shows the remaining contractual maturities is disclosed in Appendix A to the annual financial statements.

The entire IFRS 7 / IAS 144 has been exempted in terms of General notice 552 of 2007. However, according to the afore-mentioned General notice, this standard is to be replaced by IAS 32/ (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998. Thus the old IAS 32/ (AC 125) is still applicable. The requirements of the latter standard have been applied for both the previous and current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 12. REVENUE RECOGNITION

Revenue is the gross inflows of economic benefits or service potential during the reporting period when those inflows result in increases in net assets, other than increases relating to contributions from owners. Revenue for the current and prior financial year was initially recognised at cost. The requirement of GAMAP 9.12 and SAICA Circular 09/2006 that the initial measurement of revenue be recognised at fair value through discounting all future receipts using an imputed rate of return have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

In terms of GAMAP 9, only probable revenues should be recognized in the annual financial statements of the municipality. In order to comply with this requirement, the municipality adjusts service revenues by estimating the amount of probable revenues as follows:

- Payment ratios for all the various service revenues are calculated by comparing amounts recovered for services rendered in relation to service billings for these various services;
- For the above-mentioned payment ratios that are below 100%, an adjustment is made to the various amounts of service billings revenues;
- The above-mentioned adjustment is calculated as the difference between 100% and the payment ratios, applied to the various amounts of service billings revenues.

#### 12.1 Revenue from Exchange Transactions

- (a) Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis and revenue is recognised when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on the consumption history. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.
- (b) Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.
- (c) Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.
- (d) Service charges for sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.
- (e) Rentals are recognised on a time proportion basis.
- (f) Dividends are recognised on the date that the municipality becomes entitled to receive the dividend.
- (g) Revenue arising from the application of the approved tariff or charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.
- (h) Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.
- (i) Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.
- (j) Revenue from the sale of goods is recognised when all of the following conditions have been satisfied:
  - The municipality has transferred to the buyer the significant risks and rewards of ownership.
  - The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
  - The amount of revenue can be measured reliably.
  - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.

- (k) Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.
- (l) Operating lease income is recognized on the receipt basis over the lease term.

#### 12.2 Revenue from Non-Exchange Transactions

- (a) Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.
- (b) Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognized when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.
- (c) Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use. Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.
- (d) Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.
- The initial measurement of the fair value by discounting all future receipts using an imputed rate of interest has not been computed for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 13. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a current liability is recognised.

The requirements of IAS 20 (excluding paragraphs 24 and 26) have not been met in the current and prior financial years as these requirements have been exempted in terms of General notice 552 of 2007. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 14. PROVISIONS

A provision is recognised when the Municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed annually and those estimated to be settled within the next twelve months are treated as current liabilities. All other provisions are treated as non-current liabilities.

#### 15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

#### 16. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 17. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 18. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 19. FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

#### 20. COMPARATIVE INFORMATION

#### **20.1** Current year comparatives

Budgeted amounts have been included in the annual financial statements.

#### 20.2 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

#### 21. EMPLOYEES BENEFITS

#### 21.1 General

The municipality provides retirement benefits for its employees and councillors.

A **defined benefit plan** is a plan that defines an amount of benefit that an employee will receive on retirement. A **defined contribution plan** is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

Contributions to defined contribution retirement benefit funds are recognised as an expense when employees and councillors have rendered employment service or served office entitling them to the contributions.

Defined benefit plan accounting as required by IAS 19 / AC 116 have been exempted in terms of General notice 552 of 2007 and had not been applied for the previous or current financial year. These defined benefit plans had been accounted for as defined contribution plans and the defined benefit obligations had been disclosed by narrative information for the current financial year. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

The municipality does not apply defined benefit accounting to the defined benefit funds to which it is a member where these funds as classified in terms of IAS 19 as multi-employer plans, as sufficient information is not available to apply the principles involved. As a result, paragraph 30 of IAS 19 is applied and such funds are accounted for as defined contribution funds.

#### Personnel

Salary personnel are members of the Cape Joint Pension fund established in terms of the Local Authorities Pension Fund Ordinance, 1969 (Ordinance 23 of 1969), and the provisions of the Pension Fund Act, 1956 (Act 24 of 1956) or the Samwu National Provident Fund.

#### Contributions to Funds

|          | Samwu National Provident Fund: | Employees | 09 %   |
|----------|--------------------------------|-----------|--------|
|          |                                | Employer  | 18 %   |
|          | Cape Joint Pension Fund:       | Employees | 09 %   |
|          | -                              | Employer  | 18 %   |
| <b>3</b> | South African Local Authority  | Employees | 8,6 %  |
|          | Pension Fund                   | Employer  | 18,07% |

#### 21.2 Provincially administered defined benefit plan

The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

#### 21.3 Medical Aid: Continued Members

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the municipality for the remaining portion.

#### 21.4 Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position.

#### 21.5 Long Service Bonuses

Long service bonuses are provided to employees who achieve certain pre-determined milestones of services within the municipality. The municipality's obligation under these plans would be valued by independent qualified actuaries at year end and the corresponding liability would be raised, had it not been for the exemptions stated in the above-mentioned paragraph. Payments would be set-off against the liability, including notional interest, resulting from the valuation by the actuaries, which would be charged to the Statement of Financial Performance, had it not been for the exemptions stated in the above-mentioned paragraph.

21.6 The defined benefit plan has been accounted for as a defined contribution plan for the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 22. LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease payments are expensed on the basis of the cash flows in the lease agreement.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating lease receipts are recognized as income on the basis of the cash flows in the lease agreement.

The requirement of IAS 17/AC105 to recognize operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement, had been exempted in terms of General notice 552 of 2007, thus the operating lease payments and receipts had been recognized on the basis of the cash flows in the lease agreement for both the previous and current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

#### 23. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the payment basis.

#### 24. SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes.

The requirements of IAS 11 / AC109 have been exempted in terms of General notice 552 of 2007 and had not been applied for either the prior or the current financial years. This accounting policy is in accordance with the exemptions stated in the above-mentioned General notice.

The requirements of segmental reporting have not been included in the current financial year due to the exemption granted, in terms of General Notice 552 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

#### 25. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

The transfers are recognised in the financial statements as expenses in the period in which the events giving rise to the transfer occurred.

#### 26. BORROWING COST

Borrowing costs are recognised as expenses in the Statement of Financial Performance.

#### 27. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

#### 28. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

#### 29. EVENTS AFTER THE REPORTING DATE

No material events, favourable or unfavourable had occurred between the reporting date and the date of this report.

GEORGE LOCAL MENICIPALITY
NOTES TO THE SIMANCIAL SYNTEMENTS FOR THE YEAR SYNTEM 10 LINE OF

| ١. |                                                                                                                             | 2007<br>R                             | 2005<br>R                             |
|----|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| •  | HOUSING DEVELOPMENT FUND                                                                                                    |                                       |                                       |
|    | Housing Development Fund                                                                                                    | 61,589,891                            | 64,676,60                             |
|    | Unappropriated Suspius Leans extinguished by Government on April 1996                                                       | 8,205,646<br>53,383,243               | 11,292,44<br>53,383,24                |
|    | The Housing Development Fund is represented by the following                                                                |                                       |                                       |
|    | assets and Rabilities. Property, plant and aquipment (see note 10)                                                          |                                       |                                       |
|    | Housing selling schame laans (see note 12)                                                                                  | 2,482,508<br>13,219,030               | 2,499,66<br>14,444,57                 |
|    | Investments (see note 11) Other Cebios: Non collected portion (see note 15)                                                 | 0<br>1,760,617                        | 1,696,85                              |
|    | Unauthorised use of cash for other purposes Bank and cash (see note 16)                                                     | 0                                     |                                       |
|    | Criedios (see note 7)<br>Total Housing Davelopment Fund Assets and Liabii@es                                                | 44,126,536                            | 46,034,60                             |
|    | RESERVES                                                                                                                    | 61,589,891                            | 64,675,69                             |
|    | Capital Replacement Reserve (CRR)                                                                                           | 91,531,817                            | 56,150,59                             |
|    | CRR - General Service                                                                                                       | 4,001,628                             | 7,239,50                              |
|    | CRR - Water Service                                                                                                         | 22,324,171<br>25,625,624              | 8,635,50<br>7,730,99                  |
|    | CRR - Sewataga Servica CRR - Cleansing Servica                                                                              | 19,007,104<br>3,037,632               | 6,522,26<br>1,633,13                  |
|    | CRR - Sale of Property                                                                                                      | 15,669,788                            | 23,310,30                             |
|    | CRR - Padring Facilities Government Grants Rosonva                                                                          | 1,065,672<br>128,962,021              | 1,076,686<br>88,777,52                |
|    | * Capitalisation Reserva (NDR -CR) Onnation/Public Contribution Reserve                                                     | 95,850,568                            | 100,504,64                            |
|    | Total Reserves                                                                                                              | 4,329,820<br>320,474,226              | 2,967,78<br>254,420,54                |
|    | The Capital Roplacement Reserve is fully invested in ring-lenced                                                            |                                       |                                       |
|    | financial instrument knestments (see notes 11+16)                                                                           |                                       |                                       |
|    | LONG-TERM LIABILITIES                                                                                                       |                                       |                                       |
|    | Local Registered Stock Loans<br>Annuity Loans                                                                               | 0                                     | 2,217,170                             |
|    | Capitalised Lease Llability                                                                                                 | 227,315,237<br>493,026                | 139,743,282<br>39,526                 |
|    | Government Loans : Other Other Loans                                                                                        | 0                                     | (                                     |
|    | Sub-Idel                                                                                                                    | 8,721,242<br>236,529,505              | 8,997,762<br>150,897,735              |
|    | Less: Current portion transferred to current liabilities                                                                    | (10,902,018)                          | -11,664,795                           |
|    | Local Registered Stock Loans                                                                                                | 0                                     | -2,217,170                            |
|    | Annuity Loens<br>Capitalised Lease Llability                                                                                | (9,826,650)<br>(432,301)              | -8,638,766<br>-39,525                 |
|    | Sovernment Loers : Other<br>Other Loens                                                                                     | 0                                     |                                       |
|    |                                                                                                                             | (643,067)                             | -569,334                              |
|    | Total External Loans                                                                                                        | 225,627,487                           | 138,332,944                           |
|    | Refer to Appendix "A" for more detail on long-term liabilities  Listed Investment covers repayment of other loans)          |                                       |                                       |
|    | (See note 11 for more detail)                                                                                               |                                       |                                       |
|    | NON-CURRENT PROVISIONS                                                                                                      |                                       |                                       |
|    | Provision for reclamation of rotuse landful site Total Non-Current Provisions                                               | 0                                     | 0                                     |
|    | The movement in the non-cuttent provision is reconciled as follows:                                                         | Lendfig                               | Lundfill                              |
|    | Balance at beginning of year Contributions to provision                                                                     | 0                                     | 0<br>1,020,000                        |
|    | Expenditure incurred Increase in provision due to discounting                                                               | C                                     | 0                                     |
|    | Transler to cuttent provisions                                                                                              | 0<br>0                                | (1,020,000)<br>0                      |
|    | CONSUMER DEPOSITS                                                                                                           |                                       |                                       |
|    | Electricity and Water                                                                                                       | 8,876,783                             | 8,100,233                             |
|    | Yola! Consumer Deposits                                                                                                     | 8,676,783                             | 8,100,233                             |
|    | Guarantees held in Neu of Electricity and Weler Deposits                                                                    | 6,942,200                             | 4,770,700                             |
|    | PROVISIONS                                                                                                                  |                                       |                                       |
|    | Puformanco bonus<br>Curranjo podini di reclamation of tefuse landijii sile provision (see note 4 above)<br>Tolai Provisions | 588,197<br>0<br>                      | 543,608<br>1,020,000<br>1,563,508     |
|    | CREDITORS                                                                                                                   |                                       |                                       |
|    | Trado Creditore: Rales and General                                                                                          | 3,861,589                             | 3,306,755                             |
|    | £jectricity .                                                                                                               | 11,841,583                            | 10,785,476                            |
|    | :Nolor<br>:Sewatage                                                                                                         | 795,314<br>201,877                    | 111,435<br>4,811                      |
|    | Cleansing                                                                                                                   | 428,489                               | 481,577                               |
|    | Payments received to advance                                                                                                |                                       | 2,655,315                             |
|    | Payments received in advance Deposits :Library                                                                              | 2,891,001<br>4,360                    |                                       |
|    | Deposits :Library Staff Loave                                                                                               | 4,360<br>9,831,860                    | 3,800<br>4,185,233                    |
|    | Doposits :Library Staff Loave Personnel Development VAT (see note 9.2)                                                      | 4,360<br>9,831,860<br>0<br>10,360,620 | 3,860<br>4,185,233<br>0<br>13,536,110 |
|    | Doposits Library Siposits Davie Personnel Cavelopment                                                                       | 4,360<br>9,831,860<br>0               | 3,860<br>4,185,233<br>0               |

| NOT | TES TO THE FINANCIAL STATEMENTO FOR THE YEAR ENDED 30 JUNE 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2007<br>R                                                                                 | 2006<br>R                                                                                                                                              |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.  | UNSPENT CONDITIONAL GRANTS AND RECEIPTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                        |
|     | 8.1 Conditional Grants from other spheres of Government-                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 30.017.165                                                                                | 20,183.030                                                                                                                                             |
|     | Allocated for Property, Plant and Equipment; DME - Funds : Electrification 300 Erts Rhamaposs Deal - Housing : High Security Fance Oppl. Transport: Tax! Terminus Depl. Transport: Tax! Terminus Depl. Transport: Tax! Terminus Depl. Transport: George Mobility Stategy Eden Mun Floodlights Outsnique Park Eden Mun Security Lighting Thembateitu Eden Mun Rulsus Transfer Station MIG Grants MIG Grants MIG Grants Financial Management Grant PAWC - Khulani Woman's Project PAWC - Khulani Woman's Project PAWC - Repoints IGG | 22,977,176 0 0 0 0 11,749,925 0 0 202,116 2,425,134 8,500,000 7,003,989 4,676,576 411,990 | 13,227,340<br>130,041<br>87,398<br>50,316<br>756,965<br>7,000,000<br>21,162<br>202,116<br>4,696,322<br>0<br>6,335,590<br>4,587,422<br>38,380<br>32,765 |
|     | PAWC - Spalial Development Framework PAWC - Transitional Grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 375,000<br>1,578,523                                                                      | 375,000<br>1,576,523                                                                                                                                   |
|     | 8.2 Other Conditional Receipts:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                                                                                         | 1.067.836                                                                                                                                              |
|     | Allocated for Property. Plant and Equipment: Fancount Contribution - Electrichy Fancount Contribution - Water  Total Conditional Grants and Receipts (Refer to Appendix "F" for more details)                                                                                                                                                                                                                                                                                                                                      | 0<br>0<br>0<br>30,017,165                                                                 | 1,057,836<br>28,231<br>1,029,605<br>21,220,866                                                                                                         |
| 9.  | VAT 9.1 Vat Included in debtors: - Dabtor Control Account (see note14) - Creditor Provision (Direct Payments) - Creditor Provision (Orders) - VAT adjustments                                                                                                                                                                                                                                                                                                                                                                      | 6,309,792<br>2,022,210<br>2,022,47<br>11,087<br>15,545,68                                 | 7,029,321<br>1,440,178<br>58,293<br>0<br>8,527,793                                                                                                     |
|     | 9.2 Vatinoluded in creditors: - Deblor Control Account - Income - Sundry Debtors - Income - Meter Debt - Income - Retansion Vat                                                                                                                                                                                                                                                                                                                                                                                                    | 3,759,825<br>28,625<br>5,00,855<br>                                                       | 6,102,678<br>162,253<br>7,021,312<br>249,867<br>13,636,110                                                                                             |
|     | 9.3 VAT receivable from SARS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 8,528,303                                                                                 | 2,358,856                                                                                                                                              |
|     | 9.4 VAT payable to SARS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                                                                         | 0                                                                                                                                                      |
|     | VAT is payable on the payment basis. Only once payment is received from debtors is VAT paid over to SARS.                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                           |                                                                                                                                                        |
| 10. | ASSETS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                           |                                                                                                                                                        |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                           |                                                                                                                                                        |

## 10.1 Property, plant and equipment

| 30th June 2007 Reconciliation of Carrying Value | inira-<br>şiruoture<br>R | Community<br>R  | Heritage<br>R | Other<br>R   | Housing<br>Development<br>Fund<br>R | Leased<br>Infrastructure<br>R | Work<br>in<br>Progress<br>R | Total<br>R |            |
|-------------------------------------------------|--------------------------|-----------------|---------------|--------------|-------------------------------------|-------------------------------|-----------------------------|------------|------------|
| Carrying values                                 | 1                        |                 |               |              |                                     |                               | 93,376,292                  |            | 2,270,715  |
| at 30 June 2006                                 | 240.639,142              | 66,396,777      | 607.331       | 28.692.914   | 2.499,664                           | 58,595<br>123,061             | 93,376,292                  |            | 7,207,951  |
| Cost                                            | 401,815,968              | 83,964,438<br>0 | 607,331       | 54,821,199   | 2,499,664                           | 123,001                       | 93,310,292                  | . 63       | 1,207,931  |
| Revaluation                                     | (161.176.824)            | (17.587.681)    | . 0           | (26,128,285) |                                     | (64,466)                      | . 0                         | 20         | 4.937.236) |
| Accumulated depreciation                        | (161,176,824)            | (17,567,661)    | <u> </u>      | (26,128,285) |                                     | (64,486)                      | - V-                        |            | 4,937,236) |
| - Cost<br>- Revaluation                         | (103,170,024)            | (17,507,601)    | <u>.</u> ŏ    | (20,120,203) | , ŏ,                                | (01,150)                      | _0_                         |            | 0          |
| Acquisitions                                    | 108,354,128              | 18,944,193      | 0             | 18,788,851   | 0                                   | 575,586                       | 59,531,428                  | 20         | 4,192,186  |
| WIP Transfers                                   | 30,571,220               | 9,051,219       | 0             | 7,054,101    | 0                                   | . 0                           | (46,676,540)                |            | 0          |
| Revaluation                                     | 1 0                      | 0               | 0             | 0            | 0                                   | 0                             | 0                           |            | 0          |
| Depreciation                                    | (22,642,781)             | (3,167,121)     | 0             | (4,568,942)  | Q                                   | (128,170)                     | 0_                          |            | 0,705,014) |
| - based on cost                                 | (22,842,781)             | (3,187,121)     | 0             | (4,568,942)  | 0                                   | (126,170)                     | . 0                         | (3         | 0,705,014) |
| - based on revaluation                          | 0                        | 0               | 00            |              | 0                                   |                               | 0                           |            | 0          |
| Carrying value of disposals                     |                          | 0               | 0             | (18,478)     | 0                                   |                               | 0_                          |            | (18,478)   |
| Cost / revaluation                              | 0                        |                 | 0             | (944,131)    | - 0                                 |                               | 0                           |            | (944,131)  |
| Accumulated depreciation                        | 0                        | . 0             |               | 925,653      |                                     | 0                             | 0                           |            | 925,653    |
| Impairment losses                               |                          | n               | . 0           | 0            | 0                                   | 0                             | 0                           |            | 0          |
| Other movements-cost                            | 6,492                    | (8,493)         | ő             | . 0          | (17,155)                            | ŏ                             | ŏ                           |            | (17,155)   |
| Other movements-deprec.                         | 2.056                    | (2,548)         | ŏ             | 492          | (,,                                 |                               |                             |            | ,          |
| Cerrying values                                 | -,                       |                 | •             |              |                                     |                               |                             |            | .0         |
| at 30 June 2007                                 | 356,726,145              | 91,221,123      | 607,331       | 47,946,965   | 2,482,509                           | 508,011                       | 106,231,179                 | 60         | 6,722,263  |
| Cost                                            | 540,747,808              | 111,953,358     | 607,331       | 77,718,020   | 2,482,509                           | 698,647                       | 106,231,179                 | 84         | 0,438,851  |
| Revaluation                                     | ,                        | 0               | 0             | 0            | 0                                   | 0                             | 0                           |            | . 0        |
| Accumulated depreciation                        | (184,021,661)            | (20,732,234)    | 0             | (29,772,066) | 0                                   | (190,638)                     | 0                           |            | 4,716,598) |
| - Cost                                          | (184,021,661)            | (20,732,234)    | 0             | (29,772,066) | 0                                   | (190,636)                     | 0                           | (23        | 4,716,598) |
| - Revaluation                                   | 1 0                      | 0               | 0             | 0            | 0                                   | . 0                           | 0_                          |            | 0          |

| Reconciliation of<br>Carrying Value | Infra-<br>atructure<br>R | Community<br>R | Heritane<br>R | Other R      | Housing<br>Development<br>Fund<br>R | Lensed<br>Infrastructure<br>R | Work In Progress R | Total<br>R   |
|-------------------------------------|--------------------------|----------------|---------------|--------------|-------------------------------------|-------------------------------|--------------------|--------------|
| Carrying values                     |                          |                |               |              |                                     |                               |                    |              |
| at 30 June 2005                     | 514,193,427              | 33.278.116     | 607.331       | 23,229,862   | 2,776.632                           | 103,549                       | 26,301,250         | 317.201.528  |
| Cost                                | 373,049,108              | 49,156,273     | 607,331       | 58,661,346   | 2,776,632                           | 2,346,612                     | 25,301,250         | 511,920,554  |
| Change in accounting policy         |                          |                |               |              |                                     |                               |                    |              |
| - cost                              |                          |                |               |              |                                     | (2,225,551)                   |                    | (2,225,551   |
| Revaluation                         | . 0                      | 0              | 0             | 0            | 0                                   | 0                             | 0                  | 0            |
| Accumulated depreciation            | (141,144,319)            | (15,878,157)   | 0             | (35,451,488) | 0_                                  | (19,512)                      | 0                  | (192,493,475 |
| - Cost                              | (141,144,319)            | (15,878,157)   | 0             | (35,451,486) | 0                                   | (881,775)                     | 0                  | (193,355,738 |
| Change in accounting policy         | 1                        |                |               |              |                                     |                               |                    |              |
| - depreciation                      |                          |                |               |              |                                     | 862,263                       |                    | 862,263      |
| - Revaluation                       | l 0                      | . 0            | 0             | 0            | 0                                   | . 0                           | . 0                | 0            |

|                                           | Infra-                      |              |          |              | Housing                  | •                             | Work                |             |
|-------------------------------------------|-----------------------------|--------------|----------|--------------|--------------------------|-------------------------------|---------------------|-------------|
| Reconciliation of<br>Carrying Value       | structure<br>structure<br>R | Community R  | Heritage | Other R      | Development<br>Fund<br>B | Leased<br>Infrastructure<br>R | in<br>Progress<br>R | Total<br>_R |
| Acquisitions                              | 28,952,734                  | 20,344,063   | 0        | 8,691,981    | 0                        | 0                             | 83,017,102          | 141,005,88  |
| WIP Transfers<br>Increases / decreases in | 257,934                     | 14,542,795   | 0        | 141,331      | 0                        | . 0                           | (14,942,060)        |             |
| revaluation                               | 0                           | 0            | 0        | 0            | 0                        | 0                             | 0                   |             |
| Depreciation                              | (20,459,496)                | (1,721,690)  | Ó        | (3.297,748)  | 0                        | (44.954)                      | 0                   | (25,523,88  |
| - based on cost                           | (20,459,496)                | (1.721,690)  | 0        | (3,297,748)  | 0                        | (44,954)                      | Ö                   | (25,523,88  |
| - based on revaluation                    |                             |              | 0        | ` ' 0        | 0                        | 0                             | 0                   |             |
| Carrying value of disposals               | (16.820)                    | (46,506)     | . 0      | (72,512)     | 0                        | 0                             |                     | (135,83     |
| Cost / revaluation                        | (443,811)                   | (78,692)     | 0        | (12,693,462) | 0                        | 0                             | 0                   | (13,215,96  |
| Accumulated depreciation                  | 426,990                     | 32,186       |          | 12,620,949   | . 0                      | 0                             | . 0                 | 13,080,12   |
| Impairment losses                         |                             | 0            | 0        | 0            | 0                        | 0                             | 0                   |             |
| Other movements                           | 0                           | 0            | 0        | 0            | (276,968)                | 0                             | 0                   | (276,96     |
| Carrying values                           |                             |              |          |              |                          |                               |                     |             |
| at 30 June 2006                           | 240.639.141                 | 66,396,777   | 607,331  | 28,692,914   | 2.499.564                | 58,595                        | 93.376.292          | 432,270.71  |
| Cost                                      | 401,815,966                 | 83,964,438   | 607,331  | 54,821,199   | 2,499,664                | 123,061                       | (25,523,887)        | 637,207,95  |
| Revaluation                               | 0                           | 0            | 0        | 0            | 0                        | 0                             | 0                   |             |
| Accumulated depreciation                  | (161,176,824)               | (17,587,661) | 0        | (26,128,285) |                          | (64,466)                      | 0                   | (204,937,23 |
| · Cosi                                    | (161,176,824)               | (17,567,661) | 0        | (26,128,285) | 0                        | (64,466)                      | 0                   | (204,937,23 |
| - Revaluation                             |                             | 0 .          | 0        | 0            | 0                        | 0                             |                     |             |

Refer to Appendix 8 and C for more detail on property, plant and equipment, including those in the course of construction

Property, plant and equipment include items that would be defined as investment properties as defined by IAS 40, but had not been accounted for in accordance with IAS 40 due to the examption in terms of General notice 552 of 2007. These items are accounted for in accordance with GAMAP 17.

|     | the exemption in terms of General notice 552 of 2007. These items are accounted for in accordance with GAMAP 17.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                            |                           |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|
|     | Impairment of assets, review of useful lives and review of depreciation methods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                           |
|     | The municipality had not tested its items of property, plant and equipment for any potential impairment losses on assets. Furthermore, no review of the useful pres or depreciation methods applied to items of property, plant and equipment had been performed. The afor-mentioned actions had not been carried out by the municipality due to the exemptions granted in terms of General notice 552 of 2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                           |
|     | 10.2 Biological assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                           |
|     | - Standing Timber                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                            |                           |
|     | Balance at 1 July<br>Decrease due lo sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0                          | 4,100,000<br>(4,100,000)  |
|     | Balance at 30 June                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | . 0                        | 0                         |
|     | Non - current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0                          | 0                         |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0                          | 0                         |
|     | During the 2005/06 financial year all standing timber on plantations belonging to council were hervested and sold.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |                           |
|     | 10.3 Property, plant and equipment per Cash Flow Statement Total Additions (Appendix B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 204,192,185                | 141,005,880               |
|     | Less: Donated PPE (Statement of Nett Assets)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (1,516,333)<br>202,676,862 | 141,005,880               |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                           |
| 11. | INVESTMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |                           |
|     | Listed RSA Government Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 18,079,515                 | 15,956,587                |
|     | ROA DOVERNMENT STOCK                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 10,078,313                 | 13,330,307                |
|     | Financial Instruments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                           |
|     | Investment in Municipal Enlities<br>Long-Term Deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                          | 0                         |
|     | Short-Term Deposits Short-Term Deposits - EFF Invested                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 285,732,381<br>0           | 216,827,241<br>0          |
|     | Short-Term Deposits - Grants invested Sub total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 285,732,381                | 217,211,221               |
|     | Legg:- Short-Term deposits transferred to Cash and Cash Equivalents (note 15)  Total Cash Investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (285.732.381)              | -217.211.221              |
|     | Total investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 18,079,616                 | 16,956,587                |
|     | Market valuation of listed investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                           |
|     | RSA Government Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 18,413,288                 | 17,212,921                |
|     | Allosation of Investments Operational Cash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 18,079,515                 | 15,956,587                |
|     | Operational Cason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 18,079,515                 | 15,956,587                |
|     | Investment in Municipal Entities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                            |                           |
|     | The municipality exarcises control in the following company where the value of the investments is considered to be zero rand as the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                           |
|     | company does not have a share capital which could be valued in an open market:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                           |
|     | George Housing Association (Section 21 Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2007                       | 2006                      |
|     | Proportion of control; (Five of the seven directors serving on the George Housing Association's board of directors are nominated by the municipality's Mayorel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 71.43%                     | 71.43%                    |
|     | Committee - thus 5(7 = 71.43%) Indebiness of the George Housing Association (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0                          | 0.00                      |
|     | Dividend received (R) Management fines received (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                          | 0.00<br>0.00              |
|     | Administration (eas received (R) Donations made to the George Housing Association (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,800,000                  | 0.00<br>1,800,000         |
|     | The George Housing Association operates in the municipality's area of jurisdiction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            | 1,114,111                 |
|     | Management's valuation of the Investment in the George Housing Association (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | a                          | 0.00                      |
|     | In terms of General notice 552 of 2007, the municipality has been exempted from compiling consolidated annual financial statements. In accordance with this notice, the financial statements of the municipal entities are attached to the municipality's financial statements in Appendix K.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                           |
| 12. | LONG-TERM DEBTORS Grate Provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Net                        |                           |
|     | Balines   For Bad Oebt   Housing loans   13,219,030   8,088,599                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Balance<br>5,150,431       | 14,444,574                |
|     | Vehicle loans 335,888 0  Lans to Organisations 822,377 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 335,898<br>822,377         | 1,694,090<br>939 388      |
|     | (Section 185A /Ord. 20/1974)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            | **                        |
|     | Computer loans 41,154 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,315,560<br>41,154        | 2,887,916<br>84,033       |
|     | Zader Loan         192,806         0           Victoria Bay - Paving/Sewerage Loans         113,204         0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 192,806<br>113,204         | 569,855<br>111,963        |
|     | Actaits meles costs 4.378,720 4.378,720 20,418,749 12,447,319                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7,971,430                  | 5,804,685<br>26,536,504   |
|     | Loss current portion Total Long-term Debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (5,658,625)<br>2,312,806   | (2,637,934)<br>23,898,570 |
|     | (Refer to Appendix "H" for more detail on long term debtors) (Refer note.45.11 Chance in accounting estimate in relation to provision for housing loans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2-12-12-0                  | 20,000,010                |
|     | 11. The state of the security of the security of the security of the state of the s |                            |                           |

|     |                                                                                                                                                                                                                          | 38                               |                                                                                   |                                                                   |                                                          |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|
|     | IGE LOCAL MUNICIPALITY<br>IS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007                                                                                                                                 |                                  |                                                                                   | 2007<br>R                                                         | 2006<br>R                                                |
| 13. | INVENTORY                                                                                                                                                                                                                |                                  |                                                                                   |                                                                   |                                                          |
|     | Consumable Stores Maintenance materials: Water: Purification Chemicals - Water: Distribution/Connection materials - Water: Pollution Control chemicals - Water: Pollution Control chemicals - Sewerage: Maint line pipes |                                  |                                                                                   | 6,206,495<br>800,997<br>493,485<br>98,552<br>60,059               | 4,436.14<br>905.21<br>361.13<br>47.16<br>60.05           |
|     | Unsold properties held for resale  Total inventory                                                                                                                                                                       |                                  |                                                                                   | 1,602,544<br>9,262,131                                            | 552,92<br>6,362,63                                       |
|     | ( See note 36(ii) for adjustment of comparative figure)                                                                                                                                                                  |                                  |                                                                                   |                                                                   |                                                          |
|     | Inventory represents consumable stock and rew materials. Intouded in General expenses (note 43) is an amount of R 39 335 representing not realisable value.                                                              | the write down of inventories to |                                                                                   |                                                                   |                                                          |
| 4.  | CONSUMER DEBTORS                                                                                                                                                                                                         |                                  | DESTORS                                                                           | Provision<br>for Ead Debts                                        | Net Balance                                              |
|     | As at 30 June 2007 . Service Debtors:                                                                                                                                                                                    |                                  | 64,122,595                                                                        | 39,545,735                                                        | 24,576,88                                                |
|     | Rates<br>Electricity<br>Valet<br>Sewerage                                                                                                                                                                                |                                  | 12,305,325<br>13,480,452<br>16,557,938<br>11,519,311                              | 7,588,949<br>8,313,675<br>10,211,624<br>7,104,198<br>6,327,289    | 4,716,37<br>5,166,77<br>6,346,31<br>4,415,11<br>3,932,28 |
|     | Cleanship Cited Debtors: General Computerised Debtors Loans Computer Loans                                                                                                                                               |                                  | 10,259,569<br>6,447,103<br>185,342<br>1,902,263<br>329                            | 3,975,062<br>0<br>1,343,908                                       | 2,471,04<br>195,34<br>638,37                             |
|     | Housing Rentals Legal fees Legs: Masakhane Debtors                                                                                                                                                                       |                                  | 629,161<br>3,639,968<br>6,299,062<br>-10,730                                      | 387,667<br>2,244,487<br>3,891,971                                 | 241,51<br>1,395,48<br>2,407,09<br>(10,734                |
|     | Plus: VAT  Total Debtors  Less: Payments in advance  Total Computerised Debtors                                                                                                                                          |                                  | 6.309.792<br>76,858,760<br>-2,891,001<br>73,977,759                               | 3,691,971<br>47,413,768                                           | 2,417.82                                                 |
|     | As at 30 June 2006                                                                                                                                                                                                       |                                  |                                                                                   |                                                                   |                                                          |
|     | Service Debtors Rates Electricity Water Sewerage                                                                                                                                                                         |                                  | 70.531.278<br>15,917,877<br>10,635,061<br>18,639.387<br>13,516,884                | 54,563,347<br>11,682,715<br>3,956,377<br>15,180,966<br>12,370,822 | 15,967,9                                                 |
|     | Cleansing Housing Rentals Other Debtors: Loans Other Debtora VAT                                                                                                                                                         |                                  | 11,822,089<br>771,813<br>16,331,232<br>2,338,799<br>8,963,112<br>7,029,321        | 11,372,467<br>663,774<br>8,381,609                                | 108.0:<br>9,949.67                                       |
|     | Total Debtors Less: Payments in advance Total Computerised Debtors                                                                                                                                                       |                                  | 89,634,323<br>-2,655,315<br>86,979,008                                            | 63,608,730                                                        | 26,025,5                                                 |
|     | As at 30 June 2007 Rates: Ageina Curent(0-30 days) 31-60 Days                                                                                                                                                            |                                  | 5,921,487<br>266,431                                                              |                                                                   |                                                          |
|     | 51-90 Days<br>91-120 Days<br>121-365 Days<br>4-365 days<br>Total                                                                                                                                                         | •                                | 127,977<br>121,908<br>2,150,118<br>3,697,403<br>12,306,328                        |                                                                   |                                                          |
|     | Electricity. Water, Sewerage and Cleansing: Adding<br>Curroni(0-30 days)                                                                                                                                                 |                                  | 20,684,334<br>1,413,662                                                           |                                                                   |                                                          |
|     | 31-60 Days<br>61-90 Days<br>91-120 Days<br>121-365 Days<br>+365 daxs<br>Total                                                                                                                                            |                                  | 1,258,004<br>1,594,252<br>8,737,632<br>18,129,388<br>61,817,270                   |                                                                   |                                                          |
|     | Losns: Ageing Curren(i0-30 days) 31-60 Days 61-90 Days 11-120 Days 121-355 Days 121-355 days                                                                                                                             |                                  | 31,459 45,367 53,653 40,955 1,573,777 231,072                                     |                                                                   |                                                          |
|     | Housing rentals: Ageing Current(0-30 days) 31-60 Days 61-90 Days 91-120 Days 91-120 Days 121-365 Days 4365 days Total                                                                                                    |                                  | 50,163<br>24,310<br>12,627<br>11,419<br>70,616<br>450,040,<br>628,181             |                                                                   |                                                          |
|     | Other Deblore: Ageing Cureni(0-30 days) 31-60 Days 61-90 Days 91-120 Days 121-365 Deys +365 days Total                                                                                                                   | .*                               | 324,140<br>366,469<br>164,064<br>329,167<br>2,419,164<br>6,554,717,<br>10,187,761 |                                                                   |                                                          |

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| NOI | ES TO THE FINANCIAL STATEMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FOR THE YEAR ENDE                | D 30 JUNE 2007               |                      |                                       |                          |                           | 2007<br>R                                                 | 2006<br>R                                                                                                 |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------|----------------------|---------------------------------------|--------------------------|---------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|     | Summary of Debtors: Ageing<br>Current(0-30 days)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |                              |                      | · · · · · · · · · · · · · · · · · · · | 27,011,589               |                           |                                                           |                                                                                                           |
|     | 31-60 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |                              |                      |                                       | 2,093,910                |                           |                                                           |                                                                                                           |
|     | 61-90 Days<br>91-120 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                              |                      |                                       | 1,636,345<br>2,103,721   |                           |                                                           |                                                                                                           |
|     | 121-365 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      |                                       | 14,951,308               |                           |                                                           |                                                                                                           |
|     | +365 days<br>Total Debits Outstanding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |                              |                      |                                       | 29,082,618<br>76,879,491 |                           |                                                           |                                                                                                           |
|     | Less: Payment In Advance<br>Other Credits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                              |                      |                                       | -2,891,002<br>-10,730    |                           |                                                           |                                                                                                           |
|     | Unaffocated Debits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                              |                      |                                       | 0                        |                           |                                                           |                                                                                                           |
|     | SUMMARY OF DEBTORS BY CLASSIFIC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | CATION                           |                              |                      |                                       | 73,977,759               |                           |                                                           |                                                                                                           |
|     | SUMMART OF DEBTORS BY CLASSIFI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ATION                            | CONSUMERS                    | Industrial (         | National and                          | Total                    |                           |                                                           |                                                                                                           |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  | L                            | Commercial           | Provincial<br>Government              |                          |                           |                                                           |                                                                                                           |
|     | 30th June 2007<br>Current (0 - 30 days)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  | 12,420,379                   | 10,090,208           | 222,750                               | 22,733,338               |                           |                                                           |                                                                                                           |
|     | 31 - 60 Days<br>61 - 90 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  | 1,682,521<br>1,572,000       | 252,816<br>165,035   | 24,510<br>13,450                      | 1,959,847<br>1,750,485   |                           |                                                           |                                                                                                           |
|     | 91 - 120 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  | 1,322,563                    | 177,035              | 17,385                                | 1,516,983                |                           |                                                           |                                                                                                           |
|     | 121 - 365 Days<br>+ 365 Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  | 9,958,243<br>33,447,230      | 1,420,266<br>704,733 | 247,734<br>239,100                    | 11,626,244<br>34,391,063 |                           |                                                           |                                                                                                           |
|     | Sub Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  | 60,402,936                   | 12,809,893           | 764,930                               | 73,977,759               |                           |                                                           |                                                                                                           |
|     | Less: provision for bad debts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  | 44,719,637                   | 2,694,131            | 764,830                               | 47,413,768               |                           |                                                           |                                                                                                           |
|     | Total debtors by customer classification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | n                                | 15,683,299                   | 10,116,762           | 764,930                               | 26,563,991               |                           |                                                           |                                                                                                           |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
| 5.  | OTHER DEBTORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Development Front                |                              |                      |                                       | Gross<br>Balances        | Provision<br>For Bad Debt | Net Balance                                               | 1 000 861                                                                                                 |
|     | Non - Cash portion of Housing<br>Recovery of unauthorized, irreg                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  | nditure                      |                      |                                       | 1,760,817<br>0           | 0                         | . 0                                                       | 1,696,850                                                                                                 |
|     | Insurance claims<br>Miscellaneous debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                              |                      |                                       | 149,250<br>24,707,225    | 3,226,473                 |                                                           | 113,85<br>26,372,02                                                                                       |
|     | Total Other Debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                  |                              |                      |                                       | 26,617,292               | 3,226,473                 |                                                           | 28,182,73                                                                                                 |
|     | (Refer note.46.2) Change in a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | occuntina estimale in rela       | tion to provision for sundry | debtors.             |                                       |                          |                           |                                                           |                                                                                                           |
| 6.  | BANK, CASH AND CASH EQUIVALENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
| ٠.  | The Municipality has the follow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Current Account (Primary Be<br>ABSA Bank Limited - George E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ink Account)<br>Branch (630-114) |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Account Number 10-2222-098  Current Account (Cash Acco ABSA Bank Limited - George E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | uni)<br>Branch (630-114)         |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Account Number 40-5353-001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2                                |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | (i) CASH BOOK(BANK)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | <ul> <li>Operating bank account</li> <li>CRR bank account</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                  |                              |                      |                                       |                          |                           | (42,243,053)<br>58,150,592                                | 17,639,84<br>50,426,20                                                                                    |
|     | Other Capital Receipts bank a     EFF bank account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ocount                           |                              |                      |                                       |                          |                           | 14,285,176<br>1,161,635                                   | 10,027,78:<br>(56,310,449                                                                                 |
|     | - EFF Accumulated Depreciation  Cash Book belance at the be                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                  |                              |                      |                                       |                          |                           | 2,004,822<br>31,359,172                                   | 1,108,07<br>22,891,26                                                                                     |
|     | - Operating bank account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                  |                              |                      |                                       | , t                      |                           | (103,304,630)                                             | (42,243,05                                                                                                |
|     | · CRR bank account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                              |                      |                                       |                          |                           | 91,531,817                                                | 56,150,593                                                                                                |
|     | <ul> <li>Other Capital Receipts bank a</li> <li>EFF bank account</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ccount                           |                              |                      |                                       |                          |                           | 22,977,176<br>405                                         | 14,285,176<br>1,181,635                                                                                   |
|     | - EFF Accumulated Depreciation - EFF Accumulated - EFF |                                  |                              |                      |                                       |                          |                           | 4,774,582<br>16,979,351                                   | 2,004,822<br>31,359,172                                                                                   |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7 0, 014 4441                    |                              |                      |                                       |                          |                           | 10,373,331                                                | 31.330.172                                                                                                |
|     | BANK ACCOUNT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Bank statement balance at be<br>- ABSA Bank Limited - 10-222                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      |                                       |                          |                           | 50,182,816<br>50,220,853                                  | 42,809,509<br>42,810,149                                                                                  |
|     | - ABSA Bank Limited - 40-535                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      |                                       |                          |                           | (38,138)                                                  | 42,810,145                                                                                                |
|     | Bank slatement balance at er                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      |                                       |                          |                           | 47,608,032                                                | 50,192,816                                                                                                |
|     | <ul> <li>ABSA Bank Lknited - 10-222</li> <li>ABSA Bank Limited - 40-535</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  | *                            |                      |                                       |                          |                           | 47,606,032                                                | 50,220,953                                                                                                |
|     | · ADOM DRINK CHINGE • 40-030                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3-1012                           |                              |                      |                                       |                          |                           | <u> </u>                                                  |                                                                                                           |
|     | (ii) CASH<br>CASHIER FLOATS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Cereyan Park                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                              |                      | Herolds Bay                           |                          |                           | 100                                                       | . 100                                                                                                     |
|     | Library<br>Library                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                              |                      | Caledon Street<br>Conville            |                          |                           | 100<br>30                                                 | 100<br>30                                                                                                 |
|     | Library                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                              |                      | Pacaltsdorp                           |                          |                           | 20                                                        | 20                                                                                                        |
|     | Library<br>Library                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                              |                      | Blanco<br>Thembalethu                 |                          |                           | 20<br>20                                                  | 20                                                                                                        |
|     | Traffic Cashlers: Licensing<br>Treasury                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                              |                      | t<br>Magistrate Court                 |                          |                           | 6,000<br>200                                              | 3,500<br>200                                                                                              |
|     | Treasury                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                  |                              |                      | Zader                                 |                          |                           | 200                                                       | 200                                                                                                       |
|     | Treasury<br>Treasury                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                  |                              |                      | Hoekwil<br>Touwsranten                |                          |                           | 300<br>100                                                | 300<br>100                                                                                                |
|     | Treasury Cashiers:<br>Treasury Petly Cash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                              |                      | 1                                     | •                        |                           | 2,100<br>3,000                                            | 2,400                                                                                                     |
|     | Trossery i tray outsi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | (iii) CASH EQUIVALENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                  |                              |                      |                                       |                          |                           | 12,190                                                    | 9,99                                                                                                      |
|     | Short-Term Deposits transferred                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |                              |                      |                                       |                          |                           | 285,732,381                                               | 217,211,22                                                                                                |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ish Equivalents                  |                              |                      |                                       |                          |                           | 301,723,922                                               | 248,580,383                                                                                               |
|     | Total of Bank,Cash and Ca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                              |                      |                                       |                          |                           |                                                           |                                                                                                           |
|     | Allocation of Cash and Cash<br>Capital Replacement Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>Equivalente</u>               |                              |                      |                                       |                          |                           | 91,531,817                                                |                                                                                                           |
|     | Allocation of Ceah and Ceah Capital Replacement Reserve Consumer Deposits EFF bank account (unutilised)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                              |                      |                                       |                          |                           | 8,676,783<br>405                                          | 8,100,23                                                                                                  |
|     | Allocation of Cash and Cash<br>Capital Replacement Reserve<br>Consumer Deposits<br>EFF bank account (unutilised)<br>EFF Accumulated Depreciation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |                              |                      |                                       |                          |                           | 8,676,783<br>405<br>4,774,582                             | 8,100,23<br>1,161,63<br>2,004,82                                                                          |
|     | Allocation of Cash and Cash. Cashal Replacement Reserve Consumer Deposits EFF bank account (unutilised) EFF Accumulated Depreciation Housing Development Fund Unspent Conditional Grants (Cash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ipital)                          |                              |                      |                                       | •                        |                           | 8,676,783<br>405<br>4,774,582<br>44,125,536<br>22,977,176 | 8,100,23<br>1,161,63<br>2,004,82<br>46,034,60<br>14,285,17                                                |
|     | Allocation of Cash and Cash Capital Replacement Reserve Consumer Deposits EFF bank account (unutilised) EFF Accumulated Depreciation Housing Development Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ipital)                          |                              |                      |                                       |                          |                           | 8,676,783<br>405<br>4,774,582<br>44,125,536               | 56,150,59;<br>8,100,23;<br>1,161,63;<br>2,004,82;<br>46,034,60-<br>14,285,176<br>8,935,696<br>113,907,63; |

#### GEORGE LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| 17.      | PROPERTY RATES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     | -                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Site valuations<br>30 June 2007                     | Building valuations<br>30 June 2007                         | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Actual                                                                                                                                                                                   |
| A)       | GEORGE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 30 50/10 2007                                       | 30 00/14 2007                                               | 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2006                                                                                                                                                                                     |
|          | Residantial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,275,818,700                                       | 3,261,291,400                                               | 52,108,975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | R<br>47,016,15                                                                                                                                                                           |
|          | Car park Commercial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 384,688,600                                         | 1,069,659,000                                               | 0<br>16,517,881                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 16,038,48                                                                                                                                                                                |
|          | Minor business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0                                                   | 0 0                                                         | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Light Industrial Agricultural                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 77,228,000<br>0                                     | 304,385,000<br>0                                            | 4,153,065<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,859,74                                                                                                                                                                                 |
|          | Municipal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ō                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 25 400 20                                                                                                                                                                                |
|          | Less: Rebales all areas State (included in commercial)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                   | 0                                                           | (27,108,123)<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -25,166,30                                                                                                                                                                               |
|          | Other (Flat Rate) Less: Adjustments to Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0                                                   | 0                                                           | 47,147<br>(1,529,680)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 47,40                                                                                                                                                                                    |
|          | Cess, Adjustitions to Nates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,737,735,300                                       | 4,635,335,400                                               | 44,189,265                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 41,795,49                                                                                                                                                                                |
|          | The taxiff rate for general rates were 1.6976 cent in the Rand on land and 0.9337 cent in the Rand on buildings. A 20% relate was allowed on residential properties for 2006/2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                     |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
|          | A rebate of 10% - 40% was granted based on the annual income of the ratepayer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ·                                                                                                                                                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Site valuations<br>30 June 2007                     | Building valuations<br>30 June 2007                         | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Actual                                                                                                                                                                                   |
| B)       | WILDERNESS, HEROLDS BAY,<br>VICTORIA BAY, OUBAAI & KLEINKRANTZ                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     |                                                             | 2007<br>R                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2006<br>R                                                                                                                                                                                |
|          | Residential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 655,998,500                                         | 695,354,710                                                 | 11,150,710                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 14,483,25                                                                                                                                                                                |
|          | Car park                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Commercial Minor business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 35,439,100<br>0                                     | 52,057,000<br>0                                             | 6,629,541<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 135,01                                                                                                                                                                                   |
|          | Light Industrial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Ŏ                                                   | Ō                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1                                                                                                                                                                                        |
|          | Agricultural Municipal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                   | . 0                                                         | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | State (included in commercial)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Other (Flat Rate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 591,437,600                                         | 747,411,710                                                 | 17,780,261                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 14,618,26                                                                                                                                                                                |
|          | Land and buildings will be valued every four years. The last general valuation came into effect on 1 July 2003. The lariff rate for general rates were 1 5127 cent in the Rand on land and 0.8870 cent in the Rand on buildings. A 20% rebate was allowed on residential properties for 2006/2007. A rebate of 10% -40% was granted based on the annual income of the ratepayer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                     |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Site veluations                                     | Building valuations                                         | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Actual                                                                                                                                                                                   |
| C)       | HOEKWIL. WILDERNESS HEIGHTS AND TOUWSRANTEN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30 June 2007                                        | 30 June 2007                                                | 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2008                                                                                                                                                                                     |
|          | SMALL HOLDINGS Residential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 99,298,000                                          | 79,497,840                                                  | R<br>1,532,612                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | R<br>1,985,70                                                                                                                                                                            |
|          | Car park                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Commercial Minor business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1,017,000                                           | 4,032,400<br>0                                              | 701,905<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 45,81                                                                                                                                                                                    |
|          | Light Industrial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | o                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Agricultural Municipal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | State (Included in commercial) Other (Flat Rate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0                                                   | 0                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |
|          | Coor ( not rous)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100,315,000                                         | 83,630,240                                                  | 2,234,517                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2,031,51                                                                                                                                                                                 |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                     |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
|          | Land and buildings will be valued every four years. The last general valuation came into effect on 1 July 2003.<br>The lartif stet for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings.<br>A 20% rebate was allowed on residential properties for 2006/2007.<br>A rebate of 10% - 40% was granted based on the annual income of the relepsyer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                     |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
|          | The lariff rate for general rates were 1.5278 cent in the Rand on land and 0.8403 cent in the Rand on buildings.  A 20% rebate was allowed on residential properties for 2008/2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Site valuations                                     | Buliding valuations                                         | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Actual                                                                                                                                                                                   |
| <b>.</b> | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings.<br>A 20% rebate was allowed on caledential properties for 2006/2007.<br>A rebate of 10% - 40% was granted based on the annual income of the relepayer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Site valuations<br>30 June 2007                     | Building valuations<br>30 June 2007                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on caledential properties for 2008/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 30 June 2007                                        | 30 June 2007                                                | 2007<br>R                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2006<br>R                                                                                                                                                                                |
| D)       | The larif set for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on seldential properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Residential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                     |                                                             | 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2005<br>R<br>9,893,64                                                                                                                                                                    |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on relatedinal properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the ratepayer.  RURAL AREAS  Residential Car park Commercial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 30 June 2007<br>550,291,500<br>0<br>63,896,210      | 193,949,000<br>0<br>249,519,000                             | 2007<br>R<br>10,426,451<br>0<br>4,140,661                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2005<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on celebrating loopenites for 2008/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREA ROSidential Car park Commercial Minor business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30 June 2007<br>550,291,500                         | 30 June 2007<br>193,949,000<br>0                            | 2007<br>R<br>10,426,451                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2005<br>R<br>9,893,84<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on relatedinful properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Car park Commercial Minor business Light Industriel Agricultural                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 550,291,500<br>0<br>63,896,210<br>0                 | 39 June 2007<br>193,949,000<br>0<br>249,519,000<br>0<br>0   | 2007<br>R<br>10,426,451<br>0<br>4,140,661<br>0<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2005<br>R<br>9,893,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on relatedinful properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Commercial Minor business Light Industrial Agricultural Municipat State (included in commercial)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30 June 2007<br>550,291,500<br>0<br>63,896,210<br>0 | 39 June 2007<br>193,949,000<br>0<br>249,519,000<br>0        | 2007<br>R<br>10,426,451<br>0<br>4,140,661<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2006<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1.5276 cent in the Rand on land and 0.8403 cent in the Rand on buildings. A 20% rebate was allowed on relatedinful properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the ratepayer.  RURAL AREAS  Residential Car patk Commercial Minor business Light Industrial Agricultural Municipat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0<br>4.140,661<br>0<br>0<br>0<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2006<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on caledarial properties of 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayor.  RURAL AREAS  Residential Car park Commercial Minor business Light industrial Agricultural Municipal State (Included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 30 June 2007<br>550,291,500<br>0<br>63,896,210<br>0 | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0<br>4,140,661<br>0<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2006<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on residential properties or 2008/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Commercial Minor business Light Industrial Agricultural Municipat State (Included in commercial) Other (Flat Rate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0<br>4.140,661<br>0<br>0<br>0<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2006<br>R<br>9,993,64<br>3,717,66                                                                                                                                                        |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on residential properties or 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayor.  RURAL AREAS  Rosidential Car park Commercial Minor business Light industrial Agricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,9397 cern in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2000/2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0<br>4.140,661<br>0<br>0<br>0<br>0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2005<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on residential properties or 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Rosidential Commercial Minor business Light industrial Agricultrat Municipal State (included in commercial) Other (Fist Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,9397 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 7000/2007. A rebate of 10% - 40% was granted based on the annual income of the retepayer.  Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0<br>4,140,661<br>0<br>0<br>0<br>0<br>14,667,112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2005<br>R<br>9,993,6-<br>3,717,6(                                                                                                                                                        |
| D)       | The larif rate for general zates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% steake was allowed on caleddenial properties of 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residenial Car park Commercial Minor business Light Industrial Agricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,337 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0 4.140,661<br>0 0<br>0 0<br>14.667,112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2005<br>R<br>9,933,64<br>3,717,60<br>43,711,24<br>200<br>46,359,81<br>19,936,91                                                                                                          |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Commercial Minor business Light Industrial Adjricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,9337 cent in the Rand on buildings. A 65% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2000/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual Residential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0 4,140,661<br>0 0<br>0 0<br>0 0<br>14,667,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,920                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2005<br>R<br>9,993,64<br>3,717,60<br>43,711,24<br>200<br>46,359,85<br>19,936,91<br>3,559,74                                                                                              |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Commercial Minor business Light Industrial Agricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,9337 cent in the Rand on buildings. A 65% sebate was allowed on residential properties and 10% was allowed on businesses properties for 2000/2007. A rebate of 10% - 40% was granted based on the annual income of the retepayer.  Actual  Residential Commercial State                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0 4.140,661<br>0 0<br>0 0<br>0 0<br>14,667,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2005<br>R<br>9,993,64<br>3,717,60<br>43,711,24<br>200<br>46,359,85<br>19,936,91<br>3,559,74                                                                                              |
| D)       | The larif rate for general zates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on residential properties or 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Corneactal Minor business Light Industrial Agricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,9337 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0 4,140,661<br>0 0<br>0 0<br>0 0<br>14,667,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,920                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2006<br>R<br>9,993,64<br>3,717,60<br>200<br>46,359,85<br>19,936,91<br>3,599,74<br>72,146,4<br>72,142,91,56                                                                               |
| D)       | The larif rate for general zates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate was allowed on residential properties or 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Corneactal Minor business Light Industrial Agricultural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,9337 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2006/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10.426,451<br>0 4.140,661<br>0 0<br>0 0<br>14.667,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,930<br>26,584,411                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2005<br>R<br>9,993,64<br>3,717,60<br>43,711,24<br>200<br>46,359,85<br>19,936,91<br>3,559,74<br>72,146,4<br>72,145,1                                                                      |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Residential Commercial Minor business Light Industriet Agricultural Municipat State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,937 cent in the Rand on buildings. A 55% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2000/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates Add: Revenue Foregone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0<br>4,140,661<br>0<br>0<br>0<br>0<br>14,567,112<br>2007<br>48,157,876<br>27,989,995<br>4,153,069<br>80,100,930<br>26,584,411<br>106,886,341                                                                                                                                                                                                                                                                                                                                                                                                                           | 2006<br>R 9,933,64<br>3,717,60<br>13,711,24<br>200<br>46,559,85<br>19,936,91<br>3,559,77<br>72,164,61<br>24,291,56<br>96,448,08                                                          |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Car park Commercial Minor business Light Industrial Adjocutural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,9337 cert in the Rand on buildings. A 55% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2008/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates Add: Revenue Foregone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 193,949,000<br>0<br>249,519,000<br>0<br>0<br>0<br>0<br>0    | 2007<br>R<br>10,426,451<br>0 4,140,661<br>0 0<br>0 0<br>0 0<br>14,667,112<br>2007<br>48,157,876<br>27,949,985<br>4,153,069<br>90,240,620<br>26,584,411                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2005<br>R 9,933,64<br>3,717,60<br>3,717,60<br>200<br>48,359,85<br>19,939<br>3,859,74<br>72,248,45<br>24,291,55<br>96,448,08                                                              |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the ratepayer.  RURAL AREAS  Residential Car park Commercial Minor business Light Industrial Adjicutural Municipal State (included in commercial) Other (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,9337 cert in the Rand on buildings. A 55% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2008/2007. A rebate of 10% - 40% was granted based on the annual income of the ratepayer.  Actual  Residential Commercial Residential Commercial Residential Commercial Commercial Commercial Commercial Commercial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>10,426,451<br>0 4,140,661<br>0 0<br>0 0<br>0 0<br>14,667,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,830<br>26,564,411<br>106,866,341                                                                                                                                                                                                                                                                                                                                                                                                                             | 2005<br>R 9,693,6<br>3,717,66<br>48,559,8;<br>19,336,9<br>3,559,7<br>72,146,6<br>24,291,5;<br>95,449,00<br>6,516,010,9;<br>1,869,627,8<br>378,770,300,528,5                              |
| D)       | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Corr park Commercial Minor business Light Industrial Agricultural Municipal  Land and buildings will be valued every four years. The tariff rate for general rates were 1,8378 cent in the Rand on land and 0,9337 cent in the Rand on buildings. A 85% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2008/2007.  Arebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates Add. Revenue Foregone                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>R 10.426,451<br>0 0<br>4.140,661<br>0 0<br>0 0<br>0 0<br>14.567,112<br>2007<br>48,157,876<br>27,889,965<br>4.153,069<br>80,300,930<br>26,584,411<br>105,886,341<br>8,811,499,550<br>1,880,308,310<br>381,619,308,310                                                                                                                                                                                                                                                                                                                                                                 | 2005<br>R 9,993,6<br>3,717,64<br>43,751,2<br>200<br>48,359,8<br>19,936,9<br>3,859,7<br>72,486,0<br>45,16,010,9<br>1,869,627,6<br>300,528,5                                               |
|          | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Cor park Commercial Minor business Light Industrial Agricultural Municipal College (Richard of the Rand) Residential College (Richard of the Rand) College (Richard of the Rand | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>10,426,451<br>0 4140,661<br>0 0<br>0 0<br>0 0<br>14,567,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,430<br>26,584,411<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341                                                                                                                                                                                                                                                                                                                                                                                 | 2005 R 9,993,64 3,717,60 3,717,60 48,359,81 19,936,91 3,559,77 72,146,51 1869,627,81 379,770,00 390,526,53 9,064,936,33                                                                  |
|          | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Corr park Commercial Minor business Light Industrial Adjricultural Municipal College (Richard of the College of the | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>10,426,451<br>0 4140,661<br>0 0<br>0 0<br>0 0<br>14,567,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,430<br>26,584,411<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341                                                                                                                                                                                                                                                                                                                                                   | 2005<br>R 9,893,64<br>3,717,64<br>13,711,24<br>200<br>48,359,8;<br>19,936,9;<br>3,559,7;<br>72,146,70,00<br>46,948,06<br>150,670,00<br>46,935,3;<br>150,870,00<br>46,935,1;<br>22,756,51 |
|          | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS Rosidential Commercial Minior business Light Industrial Adjricultural Municipal State (included in commercial) Ciber (Flat Rate)  Land and buildings will be valued every four years. The tariff rate for general rates were 1,6976 cent in the Rand on land and 0,937 cent in the Rand on buildings. A 55% rebate was allowed on residential properties and 10% was allowed on businesses properties for 2000/2007. A rebate of 10% - 40% was granted based on the annual income of the relepayer.  Actual  Residential Commercial State Total Assessment Rates Add: Revenue Foregone  SERVICE CHARGES Sale of electricity Sale of Water Residential Total Property Valuetions  SERVICE CHARGES Sale of electricity Sale of Water Revisus removal Sevenage and sanitation charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>10.426,451<br>0<br>4.140,661<br>0<br>0<br>0<br>0<br>0<br>14.567,112<br>2007<br>48,157,876<br>27,089,985<br>4,153,069<br>80,300,930<br>26,584,411<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341<br>105,886,341 | 2005<br>R 9,893,64<br>3,717,60<br>3,717,60<br>48,359,80<br>19,938,91<br>3,859,77<br>72,168,6<br>24,291,5<br>96,449,06<br>1,869,627,81<br>370,170,00<br>300,526,57<br>9,054,935,33        |
|          | The larif rate for general rates were 1,5276 cent in the Rand on land and 0,8403 cent in the Rand on buildings. A 20% rebate of 10% - 40% was granted based on the annual income of the relepayer.  RURAL AREAS  Residential Corr park Commercial Minor business Light Industrial Adjricultural Municipal College (Richard of the College of the | 550,291,500<br>0<br>63,696,210<br>0<br>0<br>0       | 39 June 2007  193,949,000 0 249,519,000 0 0 0 0 443,488,000 | 2007<br>R<br>10,426,451<br>0 4140,661<br>0 0<br>0 0<br>0 0<br>14,567,112<br>2007<br>48,157,876<br>27,989,985<br>4,153,069<br>80,300,430<br>26,584,411<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341<br>106,886,341                                                                                                                                                                                                                                                                                                                                                   | 2006<br>R<br>9,993,64<br>3,717,60                                                                                                                                                        |

GEORGE LOCAL MUNICIPALITY

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2007<br>R                  | 2006<br>R       |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------|
|   | DOVERNMENT GRANTS AND SUBSIDIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | Operating Grants: - Equitable share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 57,110,089<br>24,568,315   | 44,25<br>26,05  |
|   | - Illeracy Programmes and Training Funds - Proclaimed Roads - Oncode the sub-state of the s | 779,544<br>753,000         | 1,45<br>2,00    |
|   | Provincial health subsidies Provincial housing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 8,278,822<br>16,668,179    | 10,63<br>4,07   |
|   | Finance Management Grant - Refuse Landfill Site                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 390,646<br>1,020,000       |                 |
|   | MIG (Flood damage)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4,651,383                  |                 |
|   | Capital Grants (see appendix "f")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 46,855,095                 | 18,49           |
|   | Total Government Grants and Subsidies ( See notes 36(vi) and 36(vii) for adjustment of comparative figures)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 103,965,184                | 62,74           |
|   | Equitable Shate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                 |
|   | receive the following monthly subsidy, which is funded from this grant:-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                 |
|   | <u>Layel of income:</u> (i) R0 - R3 000,00 R300,00 par menth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |                 |
|   | Provincial Health Subsidies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |                 |
|   | The Municipality renders health services on behalf of the Provincial Government and receives a monthly grant for expenditure incurred.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                 |
|   | This is used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or the withholding of the subsidy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                            |                 |
|   | Capital Grants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                 |
|   | Balance unspent at beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 14,285,175                 | 10.02           |
|   | Current year receipts Conditions met - transferred to revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 55,547,096<br>(46,855,095) | 22,7-<br>(18,49 |
|   | Conditions still to be mel - transferred to liabilities (see note 8)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 22,977,176                 | 14,2            |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            | 14,20           |
|   | This grants is used to construct roads,water,sewerage and electricity bifusstructure and the upgrading of informal settlement areas. Other than the unspent amount, the conditions of the grant have been met. No funds have been withheld.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |                 |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | EMPLOYEE RELATED COSTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                 |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | Employees related costs - Salaries and Wages Current and Post Employee Contributions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 93,724,986                 | 75,5            |
|   | Pension funds<br>Madical Aida                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 12,879,665<br>7,103,280    | 11,0<br>6,6     |
|   | UIF Other Employee related Contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 771,033<br>2,376,000       | 6°<br>1,9       |
|   | Travel, motor car, accommodation, subsistence and other allowances Housing benefits and allowances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 7,763,083<br>1,203,879     | 6,6             |
|   | Overtime payments Performance bonus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 7,404,301<br>0             | 5,3             |
|   | Long-service awards Less: Employee costs capitalised to Property, Plant and Equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,292,090                  | 1,50            |
|   | Less Employee costs included in other expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                 |
|   | Total Employee Related Costs<br>{ See note 36(i) for adjustment of comparative figure}                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 134,620,117                | 110,46          |
|   | Remuneration of the Municipal Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                 |
|   | Annual Remuneration Performence Bonutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 656,000<br>111,000         | 60              |
|   | Car Allowance Contributions to UIF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 84,000                     | Š               |
|   | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,399                      |                 |
|   | Remuneration of the Chief Finance Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 852,399                    |                 |
|   | Remuneration of the Uniter Finance Uniter Annual Remuneration Parformance Bonus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 432,197                    | 45              |
|   | Car Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 93,509<br>90,000           | 9               |
|   | Contributions to UIF, Medical and Pension Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 102,595                    |                 |
|   | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 719,302                    | 66              |
|   | Remuneration of Executive Directors (Technics) Services, Corporate Services and Community Services)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                 |
|   | Annual Remuneration Performance Bonus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2,481,284<br>482,055       | 1,74            |
|   | Car Allowance Contributions to UIF, Medical and Pension Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 552,354<br>188,459         | 57<br>15        |
|   | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3,704,152                  | 2,84            |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
| F | EMUNERATION OF COUNCILLORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                            |                 |
|   | Executive Mayor Deputy Executive Mayor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 304,375<br>228,535         | 23<br>18        |
|   | Speaker Mayoral Committee Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 236,293<br>1,403,473       | 16              |
|   | Councillors Councillors' pension contribution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2,610,185<br>607,300       | 1,42            |
|   | Medical Sylvania Control of the Cont | 138,441<br>0               | 12              |
|   | Tovering Tovering Atomance Office Atlemance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2,108,563                  | 35<br>77        |
|   | Call phone Allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 353,395                    | 8<br>15         |
|   | Total Councillors' Remuneration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8,390,659                  | 5,07            |
|   | In-kind Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                            |                 |
|   | The Executive Mayor. Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                 |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | secretarial support at the cost of the Council.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                 |
|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                 |
|   | The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.  Certification by the Municipal Manager  I coulty that remuneration of counciliase and in-kind benefits are in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                 |
|   | The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.  Certification by the Municipal Manager  I cortify that remuneration of councilias and in-kind benefits are in accordance with the Public Office Bearars Act and the Minister of Provincial and Local Coverment's determination in accordance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                 |
|   | The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.  Certification by the Municipal Menager  I certify that remuneration of counciliors and in-kind benefits are in accordance with the Public Office Beaters Act and the Minister of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                            |                 |
|   | The Executive Mayor and Deputy Mayor have use of Council's owned vehicles for official duties.  Certification by the Municipal Manager  I cortify that remuneration of councilias and in-kind benefits are in accordance with the Public Office Bearars Act and the Minister of Provincial and Local Coverment's determination in accordance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                 |

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| _        |                                                                                                                                                                                       | ·-··                                                        |                    | 2007<br>R                    | 2006<br>R              |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|------------------------------|------------------------|
|          | ITEREST ON EXTERNAL BORROWINGS                                                                                                                                                        |                                                             |                    |                              |                        |
| L        | ong - term liabilities<br>inance Leases                                                                                                                                               |                                                             |                    | 14,448,600<br>53,050         | 10,152,3<br>7,4        |
|          | ank overdraft otal interest on Externat Borrowings                                                                                                                                    |                                                             |                    | 14,501,649                   | 10,159,8               |
|          | ULK PURCHASES                                                                                                                                                                         |                                                             |                    |                              |                        |
|          | lactricity                                                                                                                                                                            |                                                             |                    | 80,813,538                   | 70,429,6               |
| 1        | otal Bulk Purchases                                                                                                                                                                   |                                                             |                    | 80,813,638                   | 70,429,8               |
| •        | RANTS AND SUBSIDIES PAID                                                                                                                                                              |                                                             |                    |                              |                        |
|          | quitable Share<br>rojacts Social Services                                                                                                                                             |                                                             |                    | 19,707,579<br>1,936,604      | 20,250,<br>1,873,      |
| 5        | PCA - Small Animal Pound<br>lerit Grants                                                                                                                                              |                                                             |                    | 605,449<br>13,640            | 478.<br>21,            |
| E        | ursary Grants<br>ifts                                                                                                                                                                 |                                                             |                    | 373,972<br>1,824,883         | 214,<br>1,253,         |
|          | estival<br>sternational Sevens Rugby                                                                                                                                                  |                                                             |                    | 404,345<br>2,181,171         | 297.<br>911.           |
|          | otal Grants and Subsidies                                                                                                                                                             |                                                             |                    | 27,047,643                   | 25,301,                |
| ,        | ASH GENERATED FROM (UTILISED IN) OPERATIONS                                                                                                                                           |                                                             |                    |                              |                        |
| 1        | et surplus for the year                                                                                                                                                               |                                                             | •                  | 91,207,601                   | 58,149,1               |
| F        | djustments for:-<br>revious year's operating transactions:<br>Biological Assets (Note 36 (iii) )                                                                                      |                                                             |                    | 0                            | 4,100,0                |
|          | Adjustment of Investments(Note 36 (ii)) Adjustment of Investments(Note 36 (ii))                                                                                                       |                                                             |                    | 0                            | 2,955,4<br>12,711,2    |
|          | Adjustment of Investments(Note 36 (ii))  Adjustment of Investments(Note 36 (iii))                                                                                                     |                                                             | •                  | Ď                            | (1,360,6               |
| C        | eprecistion morisation                                                                                                                                                                |                                                             | Note 44<br>Note 44 | 30,705,014<br>480,544        | 25,523,8<br>339,1      |
| C        | inforceation<br>ain on disposal of property and equipment<br>trite-off of Cost of Unsold Units                                                                                        |                                                             | APP.B              | (287,598)<br>17,156          | (1,795,2<br>276,9      |
| c        | ontribution to provisions- current                                                                                                                                                    |                                                             | Note 6             | (977,411)                    | 1,563,6                |
| Ī        | ontribullon to bad debt provision<br>ovestment (ncome                                                                                                                                 |                                                             |                    | (34,100,338)                 | (14,312,5<br>(22,550,5 |
| C        | elerest paid<br>perating surplus before working capital changes                                                                                                                       |                                                             |                    | 14,501,649<br>101,546,617    | 105.759.4              |
| Ó        | ncrease)/decrease in inventories<br>ncrease)/decrease in debtors (Consumers)                                                                                                          |                                                             | Note 13<br>Note 14 | (2,899,495)<br>(3,429,399)   | (2,578,<br>11,837,     |
| (        | ncrease)/decrease in other deblors<br>Decrease)/increase in conditional grants and receipts                                                                                           |                                                             | Note 15<br>Note 8  | 4,791,912<br>8,796,299       | (835,<br>4,205,        |
| li<br>(I | icrease in creditors<br>ncrease)/decrease in debtors (VAT-receiveable)                                                                                                                |                                                             | Note 7<br>Note 8   | 31,238,163<br>(6,169,447)    | 1,298,                 |
| c        | ash generated by operations                                                                                                                                                           |                                                             |                    | 133,874,650                  | 118,738,               |
| c        | ASH AND CASH EQUIVALENTS                                                                                                                                                              |                                                             |                    |                              |                        |
|          | ank balance and cash at the end of the year                                                                                                                                           |                                                             |                    | 301,723,922                  | 248,580,               |
|          | ank balance and cash at the beginning of the year                                                                                                                                     |                                                             |                    | 248,580,383                  | 187,328,               |
|          | el increase/ (decrease) in cash and cash equivalents<br>see note 36 (v) for adjustment of comparative figure)                                                                         |                                                             |                    | 53,143,539                   | <b>61,252</b>          |
|          | XTERNAL LOANS RECONCILIATION                                                                                                                                                          |                                                             |                    |                              |                        |
|          | xternal loans raised (see note 3)<br>sed to finance property, plant and equipment:-                                                                                                   |                                                             |                    | 236,529,505                  | 150,997,1              |
|          | Annuity Loans (Appendix "G") Other Loans (Appendix "A")                                                                                                                               |                                                             |                    | (227,314,831)<br>(8,721,242) | (138,581,6<br>(8,997,1 |
|          | Lease Assels (Appendix "A") ub- lotal                                                                                                                                                 |                                                             |                    | (493,026)<br>405             | 3,378,6                |
|          | ash set aside for the repayment of loans                                                                                                                                              | (see note 11)                                               |                    | 18,079,515                   | 15,956,5               |
|          | ash invested for repayment of external loans                                                                                                                                          |                                                             |                    | 18,078,920                   | 19,335,3               |
| S        | xternal loans have been utilized in accordance with the Municipal Finance Manag<br>ufficient cash has been set aside to ensure that external loans can be<br>paid on redemption date. | gement Aci.                                                 |                    |                              |                        |
| u        | NAUTHORISED, IRREGULAR. FRUITLESS AND WASTEFULL EXPENDITUI                                                                                                                            | RE                                                          |                    |                              |                        |
|          | ISALLOWED . nauthorised expenditure                                                                                                                                                   |                                                             |                    | 0                            |                        |
|          | econciliation of unauthorised expenditure                                                                                                                                             |                                                             |                    |                              |                        |
|          | Opening balance<br>Unauthorised expenditure current year                                                                                                                              |                                                             |                    |                              |                        |
|          | Approved by Council<br>Transfer to Statement of Financial Performance- authorised losses                                                                                              |                                                             |                    |                              |                        |
|          | Transfer to receivable for recovery<br>Closing balance                                                                                                                                |                                                             |                    | ·                            |                        |
|          |                                                                                                                                                                                       |                                                             |                    | 0_                           |                        |
|          |                                                                                                                                                                                       | inary stepsioriminal proceedings<br>nary hearings held on : |                    |                              |                        |
| le       | regular, fruitless and wasteful expenditure                                                                                                                                           |                                                             |                    | 0                            |                        |
| R        | econciliation of fruitless and wasteful expenditure                                                                                                                                   |                                                             |                    |                              |                        |
| F        | pening balance ruitless and wasteful expenditure current year                                                                                                                         |                                                             |                    | 205.840                      |                        |
|          | ransfer to Statements and Financial Performance<br>ransfer to receivables for recovery                                                                                                |                                                             |                    | (205,840)                    |                        |
|          | losing Balance                                                                                                                                                                        |                                                             |                    | 0                            |                        |
| c        |                                                                                                                                                                                       |                                                             |                    |                              |                        |
| [ir      | cedent Disciplinary steps/crimi<br>aud Committed Employee Dismissed 31 /                                                                                                              | Inal proceedings                                            |                    |                              |                        |

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| 29.        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <del></del>         | R                                                                                                                                                                                                               | R                                                                                                                                                          |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
| (i)        | Contributions to SALOA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | 474,443                                                                                                                                                                                                         | 510,250                                                                                                                                                    |
| <b>(1)</b> | Audit fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | Opening balance Prior year audit lee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 0                                                                                                                                                                                                               | 603,58;                                                                                                                                                    |
|            | Current year audit fee Amount paid - current year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     | 621,931<br>0<br>0                                                                                                                                                                                               | 003,20                                                                                                                                                     |
|            | Amount paid - prior year  Balance unpaid (included in creditors)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     | (621,931)                                                                                                                                                                                                       | (603,583                                                                                                                                                   |
|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 0                                                                                                                                                                                                               |                                                                                                                                                            |
|            | VAY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | VAT inputs receivable and VAT output receivable are shown in note 9 and 14 respectively. All VAT returns have been submitted by the due date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | throughout the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | PAYE and UIF Opening balence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     | 0                                                                                                                                                                                                               | (                                                                                                                                                          |
|            | Current year payroll deductions - PAYE Current year payroll deductions - UIF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     | 14,179,816<br>1,551,633                                                                                                                                                                                         | 11,676,93                                                                                                                                                  |
|            | Amount paid - current year Amount paid - previous year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | (15,731,449)<br>0                                                                                                                                                                                               | 1,233,69<br>(12,910,62                                                                                                                                     |
|            | Balance unpaid (included in creditors)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | 0                                                                                                                                                                                                               |                                                                                                                                                            |
|            | The balance represents PAYE and UIF deducted from the June 2007 payrol.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | These amounts were paid during June 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
| (v)        | Pension and Medical Aid Deductions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | Opening balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 0                                                                                                                                                                                                               |                                                                                                                                                            |
|            | Current year payroll deductions and Council Contributions - Pension Current year payroll deductions and Council Contributions - Medical                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     | 19,442,391<br>8,165,892                                                                                                                                                                                         | 16,548,80<br>7,664,236                                                                                                                                     |
|            | Amount paid - current year Amount paid - previous year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | (27,608,282)                                                                                                                                                                                                    | (24,213,041                                                                                                                                                |
|            | Balance unpaid (included in oraditors)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | 0                                                                                                                                                                                                               |                                                                                                                                                            |
|            | The balance represents pension and medical aid contributions deducted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | from the employees in the Juna 2007 payroll as well as Councillor's contributions<br>to pension and medical eid funds. These emounts were paid during Juna 2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | Councillor's arrear consumer accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | Councilior a arrear consumer accounts  The following Councillors had arrear accounts outstanding for more than 80 days as at - 30° June 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | The polowing Comicsions are autest accoming constructed to wote train an pass \$2 \$1 - 20, 2006 5004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Total Outstanding I | ess Outstanding                                                                                                                                                                                                 |                                                                                                                                                            |
|            | L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | then 90 days        | more than 90<br>days                                                                                                                                                                                            |                                                                                                                                                            |
|            | Councillor T. Teyisl                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,426<br>1,426      | 0 1,426<br>0 1,426                                                                                                                                                                                              |                                                                                                                                                            |
| ,          | CONTINGENT LIABILITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
| 0          | Guarantees Issued by the George Municipality in respect of building society                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
|            | and commercial bank housing loans to Council officials amounted to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |                                                                                                                                                                                                                 |                                                                                                                                                            |
| -          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 32,381                                                                                                                                                                                                          | 77,24                                                                                                                                                      |
|            | A possible abligation in respect of a court case with Mr Riaan Laing was                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
|            | A possible obligation in respect of a court case with Mr Riaan Laing was<br>noted per an attomey's confirmation from Braam & Vennote                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
| ı          | noted per an attorney's confirmation from Braam & Vennote                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
| ı          | noted per an attorney's confirmation from Brasm & Vennote IN-XIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
|            | noted per an attorney's confirmation from Brasm & Vennote IN-XIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
|            | noted per an attorney's confirmation from Brasm & Vennote IN-XIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 32,381                                                                                                                                                                                                          |                                                                                                                                                            |
| !          | noted par an attorney's confirmation from Brasm & Vennote  IN-KIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description  - Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     | 2007                                                                                                                                                                                                            |                                                                                                                                                            |
| !          | noted par an attorney's confirmation from Brasm & Vennote III-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 2007<br>1,127,119<br>1,468,224                                                                                                                                                                                  |                                                                                                                                                            |
|            | In XIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description  Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     | 2007                                                                                                                                                                                                            | 446,06                                                                                                                                                     |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)                                                                                                                                                                     | 2006                                                                                                                                                       |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind denations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated a mortisation Accumulated impairment Acquisitions Acquisitions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | 2007<br>1,127,119<br>1,468,224<br>(339,104)<br>0<br>510,486                                                                                                                                                     | 2006<br>1,466,22                                                                                                                                           |
|            | In XIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description - Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cest  Accumulated amortisation  Accumulated impakment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0                                                                                                                                                                | 2006<br>1,465,22<br>-339,10                                                                                                                                |
|            | IN-XIND DONATIONS AND ASSISTANCE The Municipality roceived the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cerrying values at the beginning of the year  Accumulated amortisation  Accumulated amortisation  Accumulated impairment  Acquisitions  Disposals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 2007<br>1,127,113<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)                                                                                                                                   | 2006<br>1,465,22                                                                                                                                           |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municlosility received the following in-kind denations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Acquisitions Disposals International Process Cost Accumulated Inspairment Acquisitions Disposals International Process Cost Cost Cost Cost Cost Cost Cost Co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     | 2007<br>1.127.119<br>1.469,224<br>(339,104)<br>0<br>510,486<br>0<br>(480,544)<br>0                                                                                                                              | 2006<br>1,468,22<br>-339,10<br>1,127,11<br>1,466,22                                                                                                        |
|            | In XIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description - Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cost  Accumulated amortisation  Accumulated impakment  Acquisitions  Disposals  Amortisation  Impakment losses  Carrying value at the and of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     | 2007<br>1,127,119<br>1,468,224<br>(338,104)<br>0<br>510,486<br>0<br>(480,544)<br>0                                                                                                                              | 2005<br>1,465,22<br>-339,10<br>1,127,11<br>1,465,22<br>-339,10                                                                                             |
|            | IN-XIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondineal of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cest Accumulated amortisation Accumulated impairment Acquisitions Disposals Amortisation Impairment losses Carrying value at the and of the year Cost Accumulated amortisation Accumulated impairment losses Carrying value at the and of the year Cost Accumulated value at the and of the year Cost Carrying value at the and of the year Cost Carrying value at the and of the year Cost Carrying value at the and of the year Cost Cacumulated amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0                                                                                                                              | 2005<br>1,465,22<br>-339,10<br>1,127,11<br>1,465,22<br>-339,10                                                                                             |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Accumulated impairment and the year Disposals Amortisation Impairment Joses Darrying values at the and of the year Cost Accumulated amortisation Accumulated impairment Accumulated impairment Accumulated impairment Accumulated amortisation Accumulated amortisation Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumul |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0                                                                                                                              | 2005<br>1,466,22<br>-339,10<br>1,127,11<br>1,466,22<br>-339,10                                                                                             |
|            | In-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Describtion - Secondiment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Corrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Acquisitions Disposals Amortisation Impairment losses Descripting values at the and of the year Cost Accumulated amortisation Accumulated impairment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0                                                                                                                              | 2005<br>1,465,22<br>-339,10<br>1,127,11<br>1,465,22<br>-339,10                                                                                             |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality received the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Accumulated impairment and the year Disposals Amortisation Impairment Joses Darrying values at the and of the year Cost Accumulated amortisation Accumulated impairment Accumulated impairment Accumulated impairment Accumulated amortisation Accumulated amortisation Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumulated amortisation Accumulated impairment Accumul |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0                                                                                                                              | 2009<br>1,466,22<br>-339,10<br>1,127,11<br>1,466,22<br>-339,10                                                                                             |
|            | IN-KIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description  - Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cost  Accumulated amortisation  Accumulated impairment  Acquisitions  Disposals  Amortisation  Impairment losses  Darrying values at the and of the year  Cost  Accumulated amortisation  Accumulated impairment  Vo intengible assets had been pledged as security for any liabilities of the municipality.  No restrictions apply to any of these intengible assets.  Significant intengible assets, that did not meet the recognition criteria for intengible assets as stipulated in IAS 38 and SIC 32, are as follows:  Website Costs incurred during the last two financial years have been expensed and not recognized as Intangible Assets.  The municipality cannot demonstrate how its webside will generate probable future accommic benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0                                                                                                                              | 2009<br>1,466,22<br>-339,10<br>1,127,11<br>1,466,22<br>-339,10                                                                                             |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality roceived the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHASED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Acquisitions Disposals Amortisation Impairment losses Carrying value at the and of the year Cost Accumulated amortisation Accumulated in pairment All of the pair accumulated amortisation Accumulated amorti |                     | 2007<br>1,127,119<br>1,468,224<br>(339,104)<br>0<br>510,486<br>0<br>(480,544)<br>0<br>1,167,051<br>1,976,710<br>(818,848)                                                                                       | 2006<br>1,466,22<br>-339,10<br>1,127,11<br>1,466,22<br>-339,10                                                                                             |
|            | In-KIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Description  - Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cost  Accumulated amortisation  Accumulated impairment  Accumulated impairment  Accumulated impairment and of the year  Cost  Accumulated amortisation  Impairment losses  Desposals  Amortisation  Impairment losses  Cost incurred and of the year  Cost  Accumulated amortisation  Impairment losses  Cost incurred and of the year  Cost  Accumulated amortisation  Impairment losses  Cost incurred and of the year  Cost  Accumulated amortisation  Impairment losses  Cost incurred and plated as security for any liabilities of the municipality.  No restrictions apply to any of these intangible assets.  Significant intangible assets, that did not meet the recognition criteria for Intangible assets as stipulated in IAS 38 and SIC 32, are as follows:  Website Costs incurred during the last two financial years have been expensed and not recognized as Intangible Assets.  The municipality cannot demonstrate how its website will generate probable future aconomic benefits.  COTHER INCOME  Salded Erven  Suiding plan test and related income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(460,544)<br>0<br>1,157,9710<br>(819,545)<br>0                                                                                              | 2005<br>1,466,22<br>-339,10<br>1,127,11<br>1,466,22<br>-239,10                                                                                             |
|            | IN-KIND DONATIONS AND ASSISTANCE  The Municipality roceived the following in-kind donations and assistance  Description  Secondment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Certyling values at the baginning of the year  Costs  Accumulated amortisation  Accumulated impairment  Acquisitions  Disposals  Amortisation Impairment losses  Descripting value at the and of the year  Cost  Accumulated amortisation  Accumulated impairment of the year  Cost  Accumulated impairment of the year of years of the year of years of |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,486<br>0<br>(480,544)<br>0<br>1,167,061<br>(319,848)<br>0<br>(319,848)<br>0<br>3,599,088<br>6,122,419                                                   | 1,465,22<br>-339,10<br>1,127,11<br>1,466,22<br>-339,10<br>6,613,54<br>10,115,86;<br>2,437,02                                                               |
|            | IN-KIND DONATIONS AND ASSISTANCE The Municipality roceived the following in-kind donations and assistance Description - Secondment of International Finance Advisor by National Treasury for 2 years PURCHARED INTANGIBLE ASSETS Computer Software Carrying values at the beginning of the year Cost Accumulated amortisation Accumulated impairment Acquisitions Disposals Amortisation Impairment losses Cost years where at the and of the year Cost Accumulated amortisation Accumulated manufactor of the year Cost Accumulated amortisation Accumulated impairment No intengible assets had been pledged as security for any liabitities of the municipality. No restrictions apply to any of these intengible assets. Significant Intengible assets, that did not meet the recognition criteria for intengible assets as stipulated in IAS 38 and SIC 32, are as follows: Websile Costs incurred during the lest two financial years have been expensed and not recognized as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.  DIHER INCOME Saled of Even Saleding plan fees and related income Explication for second dwelling Contribution to capital projects Act Claim back                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,486<br>0<br>(480,544)<br>0<br>1,167,051<br>(819,548)<br>0<br>0<br>(1,167,051<br>(819,548)<br>0<br>0<br>1,167,051<br>(819,548)<br>1,976,710<br>(819,548) | 2006<br>1,466,22<br>-339,10<br>(<br>1,127,111<br>1,466,22<br>-339,10<br>(<br>6,613,544<br>10,115,889<br>2,437,021                                          |
|            | In-KIND DONATIONS AND ASSISTANCE  The Municipality received the following in-kind donations and assistance  Describtion  - Secondiment of International Finance Advisor by National Treasury for 2 years  PURCHASED INTANGIBLE ASSETS  Computer Software  Carrying values at the beginning of the year  Cost  Accumulated amortisation  Accumulated impairment  Acquisitions  Disposals  Amortisation  Accumulated impairment losses  Darrying value at the and of the year  Cost  Accumulated impairment and the year  Cost  Accumulated impairment and the year  Cost  Accumulated impairment and been piedged as security for any liabilities of the municipality.  No restrictions apply to any of these intangible assets.  Significant Inlangible assets, that did not meet the recognition criteria for intangible assets as stipulated in IAS 38 and SIC 32, are as follows:  Webbile Costs incurred during the last two financial years have been expensed and not recognized as Intangible Assets.  The municipality cannot demonstrate how its website will generate probable future economic benefits.  DITHER INCOME  Sale of Erven  Duriding plan tees and related income  Explication for second dwelling  Contribution to explait projects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     | 2007<br>1,127,119<br>1,469,224<br>(339,104)<br>0<br>510,466<br>0<br>(480,544)<br>0<br>1,157,051<br>(819,546)<br>0<br>0<br>3,598,088<br>8,124,419<br>1,881,441<br>2,966,535                                      | 2008<br>2008<br>1,466,224<br>0<br>-339,104<br>0<br>1,127,119<br>1,466,224<br>-339,104<br>0<br>10,115,883<br>2,437,021<br>11,110,378<br>0<br>0<br>7,599,157 |

|                   | 2 (O                                     | THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2007<br>R                                                                                                                                     | 2006<br>R                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 34                | INTER                                    | NAL - CHARGES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | Inter-d<br>of dev                        | sparimental charges have not been excluded from revenue and expenditure in the statement of snancial performance. The Municipality is in the process rising procedures to reverse all inter-departmental charges for financial reporting purpose in the future years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 40,315,237                                                                                                                                    | 33,503,101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 35                | CONT                                     | INGENT ASSET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | Croco                                    | I the attorney's used by George Municipality, Raubenheimers, indicated that the Municipality had successfully won a case brought by the Municipality against George clide Park, on the 15 June 2006. Raubenheimers was subsequently notified on 21 August 2006 that an application for feave to appeal was to be made by George clide Park.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | In the                                   | opinion of Raubenheimers, it is unlikely that the appeal will be successful and that George Municipality will recover the cost.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0                                                                                                                                             | 190,78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 36                | CORR                                     | RECTION OF PRIOR PERIOD ERRORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Ø                 | The of                                   | the year ended 30 June 2006 creditor's were erroneously recognized to the amount of R1 572 076 which do not salisty the definition of a creditor.<br>flect of the correction for the current year is that the comparative amount of Creditors is R1 572 076 less than previously reported, employee related<br>R1 572 076 less than previously reported and the Surplus for 2005/06 is R1 572 076 more than previously reported.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (ii)              | invent                                   | ment to correct the treatment inventory - Obsolute Stock. The provision for obsolute stock had been created in the past to serve as a reserve for future wite off of folioses. this reserve is no longer allowed in terms of GRAP and had now been reversed retrospectively.<br>Becard the correction for the current lyear is that the comparative amount of Inventory is R501 588 more than previously reported and the Surplus for 2005/08 is 888 more than previously reported.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (iii)             | corre                                    | tment to recognize intangible assets retrospectively with a cost of R 1 466 223 and amortisation of R339 104 as at 30 June 2008. The effect of the correction for the nay year is that the comparative cost of intangible assets is R1 466 223 more than previously reported, computer software costs are R1 466 223 less than previously ted, amortisation of and accumulated emortisation on intangible assets are respectively R339 104 more than previously reported and the Surplus for 2005/06 is 27 119 more than previously reported.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (iv               | been                                     | ment to correct bad debts expense and various revenue service charges, which had been respectively understated with an amount of R12 672 000 due to an audit journal which had processed in 2006. The journal to adjust the probability of revenue had been reversed. The effect of the correction for the current year is that the comparative amount of bad debt 2 672 000 more than previously reported and the Surplus remains unchanged.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (v)               | Adjus                                    | tment to correct the cash and cash equivalents amount, which had been understated with an amount of R4 500 000. The mentioned amount was arroneously disclosed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | The e                                    | cash flow statement as a "Increase in current inverstments" instead of Cash and cash equivalents.  floet of the correction for the current year is that the comparative amount of Cash and cash equivalents is R4 500 000 more than previously recorded and the Net Cash  from (used by inventing activities on the cash flow statement decreased with the same amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (vi               | for the                                  | tment to correct Equitable -share subsidy received in 2005/08 year and recognised in Creditors, then arreneously deferred to the current year. The effect of the correction is current year in that the comparative amount for Government grants and subsidies Received and the Surplus is RS 799 605 more than previously reported and Creditors is R 5 799 605 man proviously septored.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                               | ously reported and the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                   | The c                                    | ng accumulated surplus for 2005/08 is R2 510 115 more than previously reported.  omparative amounts have been restated as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2007                                                                                                                                          | 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (a)               |                                          | omparative amounts have been restated as follows:  Current libelities - Creditors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2007                                                                                                                                          | 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (a)               | 0                                        | emparative amounts have been restated as follows:  Current liabilities - Creditors  Balance as at 30 Juna Adjustment of creditors[Employment related costs]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                               | 2008<br>59,081,17<br>-1,572,076                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (a)               | (h)<br>(vi)                              | emparative amounts have been resiated as follows: <u>Current liabilities - Creditors</u> Balance as at 30 June                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2007<br>81,457,182<br>0                                                                                                                       | 2008<br>59,081,17<br>-1,572,07<br>-5,799,60<br>-1,490,47                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                   | (h)<br>(vi)                              | emparativa amounts have been resisted as follows:  Current lisbilities - Creditors  Balance as at 30 Juna Adjustment of creditors(Employment related costs)  Adjustment of Equity - share subsidy  Adjustment of Equity - share subsidy  Adjustment of Equity - share subsidy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2007<br>81,457,182<br>0<br>0<br>0<br>81,457,182                                                                                               | 2008<br>59,081,17:<br>-1,572,07:<br>-5,799,67:<br>-1,490,47:<br>60,219,024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                   | (i)<br>(vi)<br>(vii)                     | Current libbilities - Creditors Balance as at 30 June Adjustment of creditors(Employment related costs) Adjustment of creditors(Employment related costs) Adjustment of Equity - share subsidy Adjustment of Equity - share subsidy Adjustment of Epsoneal Development Fund Rostated Balance  Accumulated Surphus Balance as at 30 June Adjustment of Equity - share subsidy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2007<br>81,457,182<br>0<br>0<br>0<br>81,457,182<br>268,600,473                                                                                | 2008<br>59,081,17:<br>-1,572,07:<br>-5,799,60:<br>-1,490,47!<br>60,219,024:<br>225,712,45:<br>1,572,07:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                   | (0)<br>(vi)<br>(0)<br>(0)                | Current liabilities - Creditors Balance as at 30 Juna Adjustment of creditors (Balance as at 30 Juna Adjustment of creditors (Employment related cests) Adjustment of Equity - share subsidy Adjustment of Equity - share subsidy Adjustment of Personnal Development Fund Restated Balance  Accumulated Surplus Balance as at 30 Juna Adjustment of Funditors (Note 7) Adjustment of Greditors (Note 7) Adjustment of Inventory - Obsoide Stock (Note 13) Adjustment of Inventory - Obsoide Stock (Note 13)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2007<br>81,457,182<br>0<br>0<br>0<br>81,457,182<br>-<br>-<br>268,600,473                                                                      | 2008<br>59,081,17:<br>-1,572,07:<br>-5,799,60:<br>-1,490,47:<br>69,219,024:<br>225,712,45:<br>1,572,07:<br>501,68:<br>1,465,22:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | (%)<br>(%)<br>(%)<br>(%)                 | Current liabilities - Creditors Balance as at 30 Juna Adjustment of creditors(Employment related costs) Adjustment of creditors(Employment related costs) Adjustment of Equity - share subsidy Adjustment of Equity - share subsidy Adjustment of Estanonal Development Fund Restated Balance  Accumulated Surbus Balance as at 30 Juna Adjustment of Fund Cost of Cos | 2007<br>81,457,182<br>0<br>0<br>0<br>81,457,182<br>268,600,473<br>0                                                                           | 2006<br>59,081,17:<br>-1,572,07:<br>-5,799,60:<br>-1,490,47:<br>60,219,024:<br>225,712,45:<br>1,572,07:<br>50,168:<br>1,466,22:<br>-339,10:<br>5,799,60:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (a)               | (%)<br>(%)<br>(%)<br>(%)                 | Current [labilities - Craditors Balance as at 30 June Adjustment of craditors (Employment related costs) Adjustment of craditors (Employment related costs) Adjustment of Equity - sharts subsidy Adjustment of Equity - sharts subsidy Adjustment of Esoural Development Fund Restated Balance Balance as at 30 June Accumulated Surchus Balance as at 30 June Adjustment - Craditors (Note 7) Adjustment - Craditors (Note 7) Adjustment - Ciraditors (Note 7) Adjustment of Intangible Assats Adjustment of Intangible Assats - Amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2007<br>81.457,182<br>0<br>0<br>81.457,182<br>268,600,473<br>0<br>0                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                   | (%)<br>(%)<br>(%)<br>(%)                 | Current liabilities - Creditors Balance as at 30 Juna Adjustment of readfors(Employment related costs) Adjustment of readfors(Employment related costs) Adjustment of restorence Development Fund Restated Balance Accumulated Surphus Balance as at 30 June Adjustment of readfors(Employment Fund Restated Balance Adjustment of Instruction Cost of the Cost of | 2007<br>81,457,182<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>1,487,182<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>268,600,473                | 2008 59,081,17: -1,572,07: -5,799,60: -1,499,47: -60,219,02: 225,712,45: 1,572,07: 501,68: 1,462,22: -339,10: 5,799,50: 1,499,47:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| (b)               | () (S) (S) (S) (S) (S) (S) (S) (S) (S) ( | Current Habilities - Creditors Balance as at 30 Juna Adjustment of realizations Adjustment of realizations Adjustment of realizations Adjustment of realizations Adjustment of Pessonal Development Fund Restated Balance Accumulated Surblus Balance as at 30 June Adjustment of Pessonal Development Fund Restated Balance Adjustment of Internations Adjustment of Pessonal Development Fund Restated Balance Inventory Balance as at 30 June Adjustment of Internations Adjustment of Pessonal Development Fund Restated Balance Inventory Balance as at 30 June Adjustment of Internations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2007<br>81,457,182<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0                             | 2006 59,081,171,572,075,799,601,490,47. 60,219,024 225,712,45 1,572,07. 60,168,1,466,22339,10. 5,789,60. 1,490,47. 238,203,42.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (b)               | () (S) (S) (S) (S) (S) (S) (S) (S) (S) ( | Curront liabilities - Creditors Balance as at 30 June Adjustment of readfors [Employment related costs) Adjustment of readfors [Employment related costs) Adjustment of Petsonnel Development Fund Restated Balance  Accumulated Surphus Balance as at 30 June Adjustment of Petsonnel Development Fund Adjustment of Petsonnel Coverage of the Control of the  | 2007<br>81,457,182<br>0<br>0<br>0<br>81,457,182<br>268,600,473<br>0<br>0<br>0<br>0<br>268,600,473                                             | 2006 58,081,171,572,075,799,601,490,47. 60,219,024 225,712,45* 1,572,07. 50,168. 1,468,22339,10. 5,789,60. 1,490,47. 238,203,42. 5,860,84.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (b)               | (ii)                                     | Curront liabilities - Creditors Balance as at 30 June Adjustment of readfors [Employment related costs) Adjustment of readfors [Employment related costs) Adjustment of Petsonnel Development Fund Restated Balance  Accumulated Surbus Balance as at 30 June Adjustment of Petsonnel Development Fund Adjustment of Indianguite Assats Adjustment of Indianguite Assats Adjustment of Indianguite Assats - Amortisation Adjustment of Indianguite Assats - Amortisation Adjustment of Indianguite Assats - Amortisation Restated Balance as at 30 June Restated Balance as at 30 June Restated Balance Inventory Intentory In | 2007<br>81,457,182<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0                             | 2006 59,081,17 1,572,07 5,799,50 1,490,47 60,219,02 225,712,45 1,572,07 501,68 1,466,22 339,10 5,799,50 1,490,47 235,333,42 5,800,84 5,916,86 5,352,53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (b)               | (i) (ii) (iii) (iii)                     | Current liabilities - Creditors Balance as at 30 Juna Adjustment of reditors(Employment related costs) Adjustment of reditors(Employment related costs) Adjustment of Equity - share subsitiv Adjustment of Estorance Development Fund Restated Balance  Accumulated Surphus Balance as at 30 June Adjustment - Creditors (Note 7) Adjustment of Inventory - Obsoide Stock (Note 13) Adjustment of Development Fund Restated Balance Inventory Balance as at 30 June Adjustment of Peteronal Development Fund Restated Balance Intended Adjustment of Inventory Restated Balance Intended Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2007 81,457,192 0 0 81,457,192 268,600,473 0 0 0 268,600,473 9,262,131 1,157,061                                                              | 2005 59.061,17 -1,512,077 -3,199,60 -1,499,47 -60,219,02 225,712,45 1,572,07 501,58 1,466,22 -339,10 5,199,00 1,499,47 -239,203,42 5,800,94 -501,88 -5,382,53                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| (b)               | (ii)<br>(iii)                            | Current Habilities - Creditors Balance as at 30 Juna Adjustment of readfors(Employment related costs) Adjustment of readfors(Employment related costs) Adjustment of resonal Development Fund Restated Balance Accumulated Surblus Balance as at 30 Juna Adjustment of Intengible Assets - Americantics Intensity - Surblus - Surblus - Surblus - Americantics Balance as at 30 June Adjustment of Intengible Assets - Americantics Intensity - Surblus - Americantics Intensity - Surblus - Surblus - Americantics Intensity - Surblus - Surblus - Surblus - Americantics Intensity - Surblus - S | 2007 81,457,192 0 0 81,457,192 268,600,473 0 0 0 268,600,473 9,262,131 1,157,061 0 0 0                                                        | 2006 5-9,041,17 -1,572,07 -2,799,60 -1,499,47 -1,572,07 -1,590,60 -1,490,47 -231,203,42 -3,91,10 -3,799,60 -1,490,47 -231,203,42 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66 -5,018,66                                       |
| (b)<br>(c)<br>(d) | (ii)                                     | Current (Baltities - Craditors Balance as at 30 June Adjustment of craditors (Employment related costs) Adjustment of craditors (Employment related costs) Adjustment of Essonal Development Fund Restated Balance Accumulated Jaurhas Balance as at 30 June Adjustment of reventory - Obsoited Stock (Note 13) Adjustment of craditors (Note 7) Adjustment of Intangible Assats - Amortisation Adjustment of Personal Development Fund Restated Balance Inventory Restated Balance Intangible Assats Balance as at 30 June Adjustment of Intangible Assats - Amortisation Adjustment of Intangible Assats Balance as at 30 June Adjustment of Intangible Assats - Accumulated Amortisation Restated Balance Restated Balance Restated Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2007 81,457,182 0 0 0 81,457,182 268,600,473 0 0 0 0 268,600,473 9,262,131 0 9,262,131 1,157,061 53,573,187 0 0 63,673,187                    | 2006 59,081,17 -1,572,07 -5,799,60 -1,999,47 -60,219,02 225,712,45 1,972,07 501,58 1,469,27 -393,10 -5,799,07 -238,203,42 -5,809,84 -501,58 -5,357,33 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469,27 -1,469 |
| (b)               | (ii)                                     | Current liabilities - Creditors Balance as at 30 June Adjustment of Enditor (Employment related costs) Adjustment of Enditors (Employment related costs) Adjustment of Personnal Development Fund Roststate Balance Roststate Balance Balance as at 30 June Adjustment of Intelligence (Intelligence Intelligence Intelligenc | 2007 81,457,182 0 0 0 0 81,457,182 268,600,473 0 0 0 0 268,600,473 9,262,131 1,157,061 0 0 1,167,051 53,573,187 480,544                       | 2006  59,081,171,512,077 -5,799,600 -1,459,477 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,219,027 -69,    |
| (d)<br>(d)        | (ii) (iii) (iii)                         | Current liabilities - Creditors Balance as to 30 June Adjustment of Ecutiv - share subsidy Adjustment of Internation - Creditors (Note 7) Adjustment - Creditors (Note 7) Adjustment - Creditors (Note 7) Adjustment of Intengible Assets - Amortisation Adjustment of Intengible Assets - Accumulated Amortisation Restated Balance  Intengible Assets Balance as at 30 June Adjustment of Intengible Assets - Accumulated Amortisation Restated Balance  Adjustment of Intengible Assets - Accumulated Amortisation Restated Balance  Amortisation- Intengible Assets - Accumulated Amortisation Restated Balance  Amortisation- Intengible Assets - Accumulated Amortisation Adjustment of Intengible Assets - Accumulated Amortisation Adjustment of Intengible Assets - Accumulated Amortisation Adjustment of Intengible Assets - Amortisation Adjustment of Intengible Assets - Amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2007 81,457,192 0 0 0 0 81,457,192 268,600,473 0 0 0 0 268,600,473 9,262,131 1,157,061 0 0 1,167,061 53,673,197 460,544 0 480,544 0 1,490,644 | 2006 58,081,171,572,075,799,601,490,47. 60,219,024 225,712,45* 1,572,07. 50,168. 1,468,22339,10. 5,789,60. 1,490,47. 238,203,42. 5,860,84.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (b)<br>(c)<br>(d) | (ii) (iii) (iii)                         | Current liabilities - Creditors Balance as at 30 June Adjustment of creditors (Employment related costs) Adjustment of Ceruities (Employment related costs) Adjustment of Personnel Development Fund Resisted Balance Accumulated Surahas Balance as at 30 June Adjustment of Ceruities (Note 7) Adjustment of Ceruities (Note 7) Adjustment of Ceruities (Note 7) Adjustment of Internation - Obsolete Stock (Note 13) Adjustment of Internation - Obsolete Stock (Note | 2007 81,457,162 0 0 0 0 61,467,162 268,600,473 0 0 0 0 268,600,473 9,262,131 1,157,061 0 0 1,167,061 53,573,167 480,544 0 480,544 819,848     | 2006  59,081,171,572,077 -5,799,600 -1,490,477 -60,219,024  225,712,455 -1,572,077 -501,584 -1,450,222 -339,104 -1,450,273 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450,474 -1,450    |

Bad debts
Balance as at 30 June
(iv) Adjustment of Bad Debts (Note 45)
Restated Balance

Revenue adjustment
Balance as at 30 June
(iv) Adjustment of Service Charges (Note 18)
Restated Balance

(i)

(j)

22,958,121

285,993,661 266,069,652 0 (12,672,000) 285,993,661 253,397,852

26,360,794 (12,672,000) 13,688,794

|   | <u> </u> | THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30                                                                     | JUNE 2007       |                            |                              |                  |                              |                              | 2007                         | 2006               |
|---|----------|--------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------|------------------------------|------------------|------------------------------|------------------------------|------------------------------|--------------------|
| ) |          | Cook and Cook Emiliation                                                                                           |                 | <b></b> .                  |                              |                  |                              |                              | <u>R</u>                     | . R                |
| , |          | Cash and Cash Equivalents  Bank balance and cash at the end of the year                                            |                 |                            |                              |                  |                              |                              | 301,723,922                  | 244,080            |
|   | (v)      | Adjustment of Cash and cash equivalents                                                                            |                 |                            |                              |                  |                              |                              | . 0                          | 4,500              |
|   |          |                                                                                                                    |                 |                            |                              |                  |                              |                              | 301,723,922                  | 248,680            |
|   |          | Bank balance and cash at the beginning of the year Net increase / (decrease) in cash and cash equivalents          |                 |                            |                              |                  |                              |                              | 248,580,383<br>53,143,539    | 187,325<br>61,262  |
|   |          |                                                                                                                    |                 |                            |                              |                  |                              |                              | 00,140,000                   | 91,101             |
|   |          | Revenue adjustment Balance as at 30 June                                                                           |                 |                            |                              |                  |                              |                              | 57,110,089                   | 39,47              |
|   |          | Adjustment of Government grants and subsidies received (Equitable Sh                                               |                 |                            |                              |                  |                              |                              | 0                            | 5,79               |
|   | (VII)    | Adjustment of Government grants and subsidies received (Personnel D<br>Restated Balance                            | evelopment i    | rund) - Operati            | ng (Note 19)                 |                  |                              |                              | <u>67,110,089</u>            | -1,019<br>44,25    |
|   | FINA     | ICIAL INSTRUMENTS                                                                                                  |                 |                            |                              |                  |                              |                              |                              |                    |
|   | (1)      | Fair values                                                                                                        |                 |                            |                              |                  |                              |                              |                              |                    |
|   |          | (IAS 39.08)                                                                                                        |                 |                            |                              |                  |                              |                              |                              |                    |
|   |          | The fair values of financial assets and liabilities, together with the carry in the balance sheet, are as follows: | ing amounts     | Shown                      |                              |                  |                              |                              |                              |                    |
|   |          |                                                                                                                    |                 |                            |                              |                  | Carrying Amount              | Fair                         | Carrying                     | Fair V             |
|   |          |                                                                                                                    |                 |                            |                              |                  |                              | Value                        | Amount                       |                    |
|   |          |                                                                                                                    |                 |                            |                              | Note Ref in AFS  | 2007<br>R                    | 2007<br>R                    | 2006<br>R                    | 2006<br>A          |
|   |          | Financial Assets                                                                                                   |                 |                            |                              |                  | ď                            |                              | ч                            | н                  |
|   |          | Held-to-maturity Investments - Long term deposits                                                                  |                 |                            |                              | 11               | 303,811,896                  | 304,145,669                  | 233,167,808                  | 234,42             |
|   |          | - Long term deposits - Short term deposits                                                                         |                 |                            |                              |                  | 285,732,381                  | 285,732,381                  | 216,827,241                  | 216,82             |
|   |          | · Short term deposits - EFF Invested                                                                               |                 |                            |                              |                  | 0                            | 0                            | 0                            | 210,02             |
|   |          | Short term deposits - Grants Invested     Investment in RSA Government Stock                                       |                 |                            |                              |                  | 0                            | 0                            | 383,980                      | 38                 |
|   |          | - Investment III Kox Government Stock                                                                              |                 |                            |                              |                  | 18,079,515                   | 18,413,288                   | 15,956,587                   | 15,95              |
|   |          | Loans and receivables                                                                                              |                 |                            |                              |                  | 69,345,544                   | 69,345,544                   | 80,744,827                   | 80,74              |
|   |          | Long term debtors     Consumer debtors                                                                             |                 |                            |                              | 12               | 2,312,805                    | 2,312,805                    | 23,898,570                   | 23,89              |
|   |          | • VAT receivable                                                                                                   |                 |                            |                              | 14<br>9          | 29,454,992<br>8,528,303      | 29,454,992<br>8,528,303      | 26,025,593                   | 26,02              |
|   |          | - Other deblors                                                                                                    |                 |                            |                              | 15               | 23,390,818                   | 23,390,819                   | 28,182,730                   | 28,18              |
|   |          | - Current portion of long-term debtors                                                                             |                 |                            |                              | 12               | 5,658,625                    | 5,658,625                    | 2,637,934                    | 2,63               |
|   |          | Available for sale                                                                                                 |                 |                            |                              |                  | 301,723,922                  | 301,723,922                  | 31,369,162                   | 31,369             |
|   |          | Investment in municipal entities  Bank balances and cash                                                           |                 |                            |                              | 11<br>16         | 0<br>301,723,922             | 301,723,922                  | 0<br>31,369,162              | 31,369             |
|   |          | Financial Liabilities                                                                                              |                 |                            |                              |                  |                              |                              |                              |                    |
|   |          | Financial fiabilities that are not valued at fair value through profit and k - Finance lease liabilities           | 33              |                            |                              | . 3              | (493,026)                    | (493,026)                    | (39,525)                     | (39                |
|   |          | Local registered Stock Loans                                                                                       |                 |                            |                              | 3                | (455,020)                    | (493,020)                    | (2,217,170)                  | (2,21)             |
|   |          | Unsecured Bank Facilities : - Annuity loans                                                                        |                 |                            |                              |                  | (236,038,479)                | (236,035,479)                | (148,741,044)                | (148,74            |
|   |          | - Other Loans                                                                                                      |                 |                            |                              | 3<br>3           | (227,315,237)<br>(8,721,242) | (227,315,237)<br>(8,721,242) | (139,743,282)<br>(8,597,762) | (139,74)           |
|   |          | Trade and Other Payables                                                                                           |                 |                            |                              |                  | (123,109,878)                | (123,109,878)                | (89,965,884)                 | (89,965            |
|   |          | - Consumer deposits<br>- Unspent conditional grants and receipts                                                   |                 |                            |                              | 5<br>8           | (8,676,783)                  | (8,676,783)                  | (8,100,233)<br>(21,220,866)  | (8,100             |
|   |          | - Provisions                                                                                                       |                 |                            |                              | 6                | (588, 197)                   | (586,197)                    | (1,563,608)                  | (1,563             |
|   |          | - Creditors                                                                                                        |                 |                            |                              | 7                | (83,829,733)                 | (63,829,733)                 | (59,081,177)                 | (59,081            |
|   |          |                                                                                                                    |                 |                            |                              |                  | 315,241,979                  | 315,575,752                  | 104,318,174                  | 105,574            |
|   |          | Unrecognised (loss) gain                                                                                           |                 |                            |                              |                  |                              | (333,773)                    |                              | (1,256             |
|   | (ii)     | Effective interest rates and repricing analysis                                                                    |                 |                            |                              |                  |                              |                              |                              |                    |
|   |          | (IAS 32,67(a), (b))<br>In respect of income-earning financial assets and interest-bearing financ                   | ial liabilities | ha following to            | bles Indicates their a       | votana effective |                              |                              |                              |                    |
|   |          | interest rates at the reporting date and the periods in which they mature                                          |                 |                            |                              | raingo anconto   |                              |                              |                              |                    |
|   |          | No                                                                                                                 | ote Ref In      | Average                    | Total                        | 6 months or less | 6-12 months                  | 1-2 years                    | 2-5 years                    | More then 6        |
|   |          |                                                                                                                    | AFS             | effective<br>Interest rate |                              |                  |                              |                              | •                            |                    |
|   |          | Year ended 30 June 2007                                                                                            |                 |                            |                              |                  |                              |                              |                              |                    |
|   |          | Fixed rate instruments<br>Held-to-maturity investments                                                             | 11              |                            | 40.070.040                   |                  |                              |                              |                              |                    |
|   |          | - Land Bank                                                                                                        | "               |                            | 18,079,615<br>18,079,515     |                  | 18,079,515                   |                              |                              |                    |
|   |          | Unsecured Benk facilities                                                                                          | 3               |                            | [236,036,479]                |                  |                              |                              |                              |                    |
|   |          | INCA loan: No.1061                                                                                                 | •               | 9.00%                      | (20,898,065)                 |                  | * .                          |                              |                              | (20,898            |
|   |          | - DBSA loan; No.1062                                                                                               |                 | 9.41%                      | (34,360,848)                 |                  |                              |                              |                              | (34,360            |
|   |          | INCA loan: No.1063                                                                                                 |                 | 10.07%                     | (16,887,087)                 |                  |                              |                              |                              | (16,887            |
|   |          | ABSA loan; No. 1064<br>DBSA loan; No. 1065                                                                         |                 | 10.50%<br>9.41%            | (18,908,493)<br>(45,160,744) |                  |                              |                              |                              | (16,908<br>(45,160 |
|   |          | DBSA loan: No.1066                                                                                                 |                 | 9.16%                      | (45,700,000)                 |                  |                              |                              |                              | (45,700            |
|   |          | DBSA loan: No.1067                                                                                                 |                 | 9.36%                      | (47,400,000)                 |                  |                              |                              |                              | (47,400            |
|   |          | DBSA                                                                                                               |                 |                            | (8,721,242)                  |                  |                              |                              | (8,721,242)                  |                    |
|   |          | STANNIC                                                                                                            |                 |                            | 1 "                          |                  |                              |                              |                              |                    |
|   |          | STANNIC<br>Finance Lease Llabilities                                                                               | 3               |                            | (493,026)                    | (493,026)        |                              |                              |                              |                    |

GEORGE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

|                                               | · · · · · · · · · · · · · · · · · · · |        |               |                         |            |             | 2007<br>R   | 2006<br>R   |
|-----------------------------------------------|---------------------------------------|--------|---------------|-------------------------|------------|-------------|-------------|-------------|
| Variable rate instruments                     |                                       |        |               |                         |            |             |             |             |
| - Grants invested                             | 11                                    |        | 0             |                         |            |             |             |             |
| <ul> <li>Cash and Cash Equivalents</li> </ul> | 16 .                                  |        | 301,723,922   | 301,723,922             |            |             |             |             |
|                                               |                                       |        | 301,723,922   | 301,723,922             |            | . 0         |             |             |
| Year ended 30 June 2006                       |                                       |        |               |                         |            |             |             |             |
| Fixed rate instruments                        |                                       |        |               |                         |            |             |             |             |
| Held-to-maturity Investments                  | 11                                    |        | 232,783,828   |                         |            |             |             |             |
| - ABSA Bank                                   |                                       | 6.50%  | 42,250,000    | 42,250,000              |            |             |             |             |
| - ABSA Bank                                   |                                       | 7.00%  | 69,200,000    | 69,200,000              |            |             |             |             |
| OLD MUTUAL Bank                               |                                       | 6.23%  | 3,000,000     | 3,000,000               |            |             |             |             |
| OLD MUTUAL Bank                               |                                       | 6.75%  | 4,000,000     | 4,000,000               |            |             |             |             |
| - OLD MUTUAL Bank                             |                                       | 8.00%  | 4,800,000     |                         |            | 4,800,000   |             |             |
| OLD MUTUAL Bank                               |                                       | 7.65%  | 4,500,000     | 4,500,000               |            |             |             |             |
| - NEDBANK                                     |                                       | 7.48%  | 3,000,000     | 3,000,000               |            |             |             |             |
| - NEDBANK & ABSA Bank                         |                                       | 7.75%  | 22,000,000    |                         | 22,000,000 |             |             |             |
| - ABSA Bank                                   |                                       | 8.15%  | 18,000,000    |                         | 18,000,000 |             |             |             |
| - ABSA Bank                                   |                                       | 7.55%  | 46,000,000    | 46,000,000              |            |             |             |             |
| RSA Government Stock                          |                                       | 12.49% | 16,033,628    |                         |            | 16,033,828  |             |             |
| Local registered Stock Loans                  |                                       |        | (2,217,170)   |                         |            |             |             |             |
| - Stock loan: No.18                           |                                       |        | (1,400,000)   | (1,400,000)             |            |             |             |             |
| - Stock loan: No.17                           |                                       |        | (817,170)     | (817,170)               |            |             |             |             |
| Unsecuted Bank facilities                     | 3                                     |        | (148,741,044) |                         |            |             |             |             |
| - INCA loan: No.1061                          |                                       | 9.00%  | (22,621,656)  |                         |            |             |             | (22,621,65  |
| - IDBSA loan: No.1062                         |                                       | 9.04%  | (35,121,626)  |                         |            |             |             | (35,121,62  |
| - INCA Ioan: No.1063                          |                                       | 10.07% | (18,000,000)  |                         |            |             |             | (18,000.00  |
| - ABSA tozn: No.1064                          |                                       | 10.50% | (18,000,000)  |                         |            |             |             | (18,000,00  |
| - DBSA loan: No.1065                          |                                       | 9.41%  | (46,000,000)  |                         |            |             |             | (46,000,00  |
| - DBSA                                        |                                       |        | (8,992,309)   |                         |            |             | (8,992,309) |             |
| · STANNIC                                     |                                       |        | (5,453)       | (5,453)                 |            |             |             |             |
| Finance Lease Liabilities                     | 3                                     |        | (39,525)      | (39,525)<br>169,687,852 | 40,000,000 | 20,833,626  | (8,992,309) | (139,743,28 |
| Varisble rate instruments                     |                                       |        | 01,100,003    | 103,881,002             | 40,000,000 | \$4,644,020 | (0,021,000) | 1,02,143,20 |
| Grants invested                               | 11                                    |        | 383,980       |                         | 383,980    |             |             |             |
| - Cash and Cash Equivalents                   | 16                                    |        | 31,369,162    | 31,369,162              |            |             |             |             |
|                                               |                                       |        | 31,753,142    | 31,369,162              | 383,980    | 0_          | . 0         |             |

## (iii) Risk Exposures

The municipality is at risk in the following areas:

- (1) Credit Risk , which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.
- (iii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument wa fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash bilances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented not of an allowance for doubtful debt.

In the case of deblors whose accounts become in arrears, it is endeavoured to collect such accounts by "evying of penalty charges", "demand for payment", "restriction of services" and, as a last reson, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

| Fixed Deposit Investments                 | 0            | 0           |
|-------------------------------------------|--------------|-------------|
| Investment in Municipal Bonds             | 0            |             |
| Investment in RSA Government Stock        | 18,079,515   | 15,956,587  |
| Investment in Municipal Entities          | 0            | D           |
| Long-term Receivables                     | 2,312,805    | 23,898,570  |
| Consumer Deblors                          | 29,454,992   | 26,025,593  |
| Other Deblors                             | 23,390,819   | 28,162,730  |
| VAT Receivable                            | 5,929,226    | 0           |
| Short-term Investment Deposits            | 0            | 383,980     |
| Bank and Cash Balances                    | 301,723,922  | 248,580,383 |
| Assimum Credit and Interest Risk Exposure | 380,891,279_ | 343,027,843 |

The initial measurement of the financial essets and financial liabilities at fall value have not been revalued for the current financial year, due to the exemption granted. in terms of General Notice 522 of 2007. In accordance with this General Notice the accounting policy is in line with the exemptions stated in the above mentioned General Notice.

38 DEVIATION FROM. AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES
In terms of section 36(2) of the Suppty Chain Management Policy approved by Council it is slipulated that bids where the formal procurement processes could not be followed must be noted in the financial statements.

The majority of the items mentioned resulted from flood damage that had to be addressed at short notice and the response times did not allow for the complete procurement process to be followed.

The balance of items was due to emergency circumstances and economic benefits for the Municipality.

| DEPARTMENT                  | DESCRIPTION                                                                                                                    | SUCCESSFUL TENDRÉR    | AMOUNT AND REASONS                             |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------|
| Civil Engineering<br>Sep-06 | Appointment of contractor for the construction of two culvert crossings and associated readwork's at Piensar and Grens, George | New Heights           | R3 930 606.5<br>Including VAT<br>Flood disaste |
| Civit Engineering           | Appointment of contractor for remedial work in Whites Road and Hillside Road, Wilderness                                       | Robcon Civils         | R2 298 951 9<br>Including VAT<br>Flood disaste |
| Civil<br>Sep-06             | Appointment of contractor for flood damage remedial work in<br>Harold's Bay (21/129c))                                         | New Heights (Pty) Ltd | R2 114 568.7<br>Including VAI<br>Flood disaste |

## GEORGE LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STAT

| E8 1 | O THE FINANCIAL STATEMEN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TS FOR THE YEAR ENDED 30 JUNE 2007                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                |                                                                                                                                                   | 2007<br>R                                                 | 2006<br>R                   |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------|
|      | DEPARTMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                        | SUCCESSFUL YENDRER                                                                                                                             | AMOUNT AND REASONS                                                                                                                                |                                                           |                             |
|      | ctro-Technical Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Emergency work - Outenique Park stedium lighting                                                                                                                                                                                                                                                                                                                                   | South Cape Electrical                                                                                                                          | ±R40 000.00<br>Vat Included.<br>Emergency due to vandalism                                                                                        |                                                           |                             |
|      | i) Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Appointment of contractor for flood remedial work on the banks of the Kat River                                                                                                                                                                                                                                                                                                    | AGMS                                                                                                                                           | R2 768 821.51<br>Vat Included<br>Flood disaster                                                                                                   |                                                           |                             |
|      | ctro-Technical Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Earthworks at proposed new ESKOM /George 132 kv<br>Substation                                                                                                                                                                                                                                                                                                                      | ☐ Kantey & Templer ☐ Constructive Civil Eng. ☐ BDE Consulting Engineers                                                                        | R80 665.48<br>Excluding VAT<br>Emergency                                                                                                          |                                                           |                             |
| Fin  | ance Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Assistance with Identifying and addressing Deviations from generally accepted accounting practice (GAAP)                                                                                                                                                                                                                                                                           | DURCHAME Consulting (PTY)Ltd                                                                                                                   | R319 200,00<br>Including VAY<br>Emergency                                                                                                         |                                                           |                             |
| nut  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                    | 1                                                                                                                                              | Linegens                                                                                                                                          | 2007                                                      | 2006                        |
| (i)  | Operating leases - Receipts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
| •    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | receivable under the operating lease of property, plant and                                                                                                                                                                                                                                                                                                                        | equipment                                                                                                                                      |                                                                                                                                                   | 2,718,850                                                 | 3,267,136                   |
|      | • Receivable: with 1 year<br>1 year to 5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   | 552,185<br>1,334,550                                      | 473,600<br>1,907,659        |
|      | later than 5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |                                                                                                                                                   | 832,115                                                   | 885,878                     |
|      | <ul> <li>Leases of land and buildings<br/>Included in this class is the fe</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | pt of the current year R 252, 550<br>num                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                |                                                                                                                                                   |                                                           | -                           |
| (ii) | Operating leases - Payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   | 1,828,684                                                 | 1,688,334                   |
|      | The following lease payments a<br>- Payable: with 1 year<br>1 year to 5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ire due under the operating lease of property, plant and equi                                                                                                                                                                                                                                                                                                                      | pment                                                                                                                                          | <i>:</i>                                                                                                                                          | 654,510<br>1,174,174                                      | 858,479<br>829,855          |
|      | The municipality has operating lea Office equipment Vehicles                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ise agreements for the following classes of assets, which are only                                                                                                                                                                                                                                                                                                                 | significant collectively:                                                                                                                      |                                                                                                                                                   |                                                           |                             |
| (m)  | Finance leases - Payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      | Minimum lease payments - Payable: with 1 year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   | 558,282<br>258,861                                        | 184,487<br>52,834           |
|      | 1 year to 5 years  Less: interest portion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                | L                                                                                                                                                 | 299,421 L<br>(65,256)                                     | 37,222                      |
|      | Present value of lease liability - Payable: with 1 year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   | 493,028                                                   | 37,222<br>147,265<br>36,989 |
|      | 1 year to 5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                | L                                                                                                                                                 | 276,669                                                   | 110,276                     |
|      | The municipality has the following<br>Included in this class is the fo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | classes of significant finance feasing errangements:<br>pliowing significant leases:                                                                                                                                                                                                                                                                                               |                                                                                                                                                |                                                                                                                                                   |                                                           | ÷                           |
|      | Doll Servers and IT Equipment -     instalments are payable qua     everage period oustanding:     average effective interest rat     average quarterly instalmen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | arterly in advance<br>30 months<br>te is 9.42%                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      | Vehicles - R 110 285     Instalments are payable mo     average period oustanding:     everage effective interest rai                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 30 months                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      | OTHER EMPLOYEE BENEFIT IN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      | defined benefit plans had been  (i) Post Employment Health Co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ng as required by IAS 19/AC 118 have been exempted in terms on accounted for as defined contribution plans and the defined bening the Republic                                                                                                                                                                                                                                     | or General noixe 552 of 2007 and had not<br>efft obligations are disclosed hereafter by na                                                     | been applied for the previous of current linar<br>urative information for the current financial ye                                                | iciai year. These<br>er,                                  |                             |
|      | The municipality's obligation (in that are legally separate from the investment performance of the tryestment risks associated with obligation in respect of the definition of the separate of the sep | or post employment health care benefits is a defined benfit plan. It he municipality and from which the employee benefits are paid. It is sefunds but also on the municipality's ability to make good for an hit the plan. Consequently, the expense recognised for the definet fined benefit good employment health care plans is the present value losses and past service cost. | The payment of the funded benefits when the<br>y shortfall in the fund's assets. Therefore the<br>d benefit plan is not necessarily the amount | ey fal due depends not only on the financial a<br>e muncipality is, in substance, underwriting t<br>of the contribution due for the period. The m | position and the<br>he actuarial and<br>unicipality's not |                             |
|      | The present value of the define<br>terms to maturity proximating                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ed benefit obligation is determined by discounting the estimated fit<br>the terms of the related medical obligations. The calculation is p                                                                                                                                                                                                                                         | ulture cash outflows of the benefits that will the professional by qualified actuaries using the pr                                            | be paid to employees and using suitable inter<br>rejected unit credit method.                                                                     | est rales that have                                       | •                           |
|      | The Post Employment Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Care Benefit plan is a defined benefit plan, of which the members                                                                                                                                                                                                                                                                                                                  | ate made up as follows:                                                                                                                        |                                                                                                                                                   |                                                           |                             |
|      | In-service (employee) member     Continuation members     Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 75 378<br>                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                |                                                                                                                                                   |                                                           |                             |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <del></del>                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                | •                                                                                                                                                 |                                                           |                             |

The muncipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Benitas;
Gfobal Health;
Hosmed;
LA Health; and
Munimed.

## (ii) Long service bonusses

The municipality's obligation for long service bonusses is a defined benift plan. This plan is be wholly unfunded as no contributions are made by the municipality into funds that are legally separate from the municipality and from which the employee benafits are paid (each aubsequent financial year's expected payments of long service bonusses are budgeted for). The municipality, in substance, underwrites the acturals and investment risks associated with the plan. Consequently, the expense recognised for the defined bonnet plan is the full additional issuified activation benefit entitlement. The municipality's not obligation in respect of the defined benafit flog service bonusses is the present value of the defined benafit obligation less the fair value of any plan assets, together with adjustments for unvecoprised actualizing plans or losses and past service cost. The present value of the defined benafit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates. The calculation is performed by qualified actuaries using the projected unit credit method.

As at year end, only one employee was eligible for a long service bonus (to be paid within 12 months from year end), which had been paid in the new financial year

## (iii) Other retirment funds: multi-employer plans

- . The personnel of the George Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Cape Joint Pension Fund and Cape Joint Retirement Fund are defined benefit plans, wherea the Municipal Councillors Fund and the Providend Fund are defined contribution plans. All of these infore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:
- . The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the panicipaling employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers, and no regard is paid to differences in the membership distribution of the participating employers.
- Defined benefit plan accounting as required by IAS 19/AC 116 have been exempted in terms of General notice 552 of 2007 and had not been applied for the previous or current financial year.
- . It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

## CAPE JOINT PENSION FUND

\* The Cape Joint Pension Fund's contribution rate payable is 9%, by the members and 18% by Council. The tast valuation performed for the year ended 30 June 2006 (30 June 2005) revested that the fund had an actuariel surplus of R293,01 (R87,2) million with a funding level of 111,4% (103,4%), and is in a round financial state as at 30 June 2006.

## CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year anded 30 June 2006 (30 June 2003) revealed that the fund had an actuarial surplus of R38,58 (R0) million with a funding level of 114% (100%). Certified in a sound financial position as at 30 June 2006.

## SALA PENSION FUND

The fund has been certified in a sound financial position as at 1 July 2006 and has improved to a position where it is now 100% funded. It should be noted that the rule amendments giving effect to the changes as at 1 July 2003 in terms of the previous Scheme of Arrangement have been approved. Although these rule amendments were fully backdated, there is a risk that some backtop benefit payments may still necessary in terms of the procedure test by the Adjudctator's ruling that a member was underpaid in a specific instance. Provision for this eventuality has been made in the financial account of the Fund. The Council is contributing an additional 2,7% to the fund as from 1 July 2005 effective from July 2005.

## MUNICIPAL COUNCIL ORS PENSION FUND

The Municipal Counciliors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund to the future. The actuarial valuation of the fund was undertaken at 30 June 2005 and reported a funding ratio of 147,3%.

## SOUTH AFRICAN MUNICIPAL WORKERS UNION NATIONAL PROVIDENT FUND

The contribution rate payable is 5% by the members and not less that 12% by Council. The last valuation performed for the year ended 30 June 2005, certified that the fund is in a sound financial state.

## 41 CAPITAL COMMITMENTS

## CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

| - Approved and contracted for:         |  |  |
|----------------------------------------|--|--|
| Infrastructure                         |  |  |
| Community                              |  |  |
| Heritage                               |  |  |
| Other                                  |  |  |
| Investment Properties                  |  |  |
| - Approved but not yet contracted for: |  |  |
| Infrastructure                         |  |  |
| Community                              |  |  |
| Heritage                               |  |  |
| Other                                  |  |  |
| Investment Properties                  |  |  |
| TOTAL                                  |  |  |

| 1,950,000   | 2,000,000   |
|-------------|-------------|
| ٠ •         | 2,000,000   |
| 188,301,000 | 167,494,388 |
| 172,995,000 | 146,933,388 |
| 2,898,000   | 4,813,000   |
| 0           | 0           |
| 12,410,000  | 15,748,000  |
| 0           | 0           |

41,310,998 33,253,998 6,107,000

229,811,998

96,810,000 4,120,000

273,024,388

| This expenditure will be linanced from: |  |
|-----------------------------------------|--|
| - External Loans                        |  |
| - Capital Replacement Reserve           |  |
| - Government Grants                     |  |
| - District Council Grants               |  |
|                                         |  |

| 100,379,000 | 128,075,000 |
|-------------|-------------|
| 105,549,000 | 47,042,000  |
| 67,096,388  | 51,494,998  |
| 0           | 3,000,000   |
| 273,024,388 | 229,611,998 |

## 42 RELATED PARTY TRANSACTIONS

## 42.1 Related Party transactions

| Year ended 30 June 2007                    | Rates    | Service  | Other | Outstanding |
|--------------------------------------------|----------|----------|-------|-------------|
|                                            | ·        | charges  |       | Belances    |
| Councillors                                | R 55.264 | R 95,174 | RO    | R 9,634     |
| nunicipal Managar and Section 57 Personnel | R 6.417  | R 13,515 | RO    | R 1,031     |
| Aunicipal Entities                         | RO       | RO       | RO    | R 0         |

| Year ended 30 June 2006                    | Rales    | Service  | Other | Outstanding |
|--------------------------------------------|----------|----------|-------|-------------|
|                                            |          | charges  |       | Balances    |
| Councillors                                | R 50.913 | R 91.625 | RO    | R 720       |
| Municipal Manager and Section 57 Personnel | RO       | R O      | R O   | R O         |
| Aunicipal Entities                         | RO       | RO       | RD    | RO          |

The rates, service charges and other charges are in accordance with approved tariffs that was advertised to the public. No bad dabt expenses had been recognised in respect of amounts owed by related parties.

## GEORGE LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

| Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.  Loans that were granted prior to this date, together with the conditions, are disclosed in note 12 to the Annual Financial Statements.  3 Compensation of key management personnel  The compensation of key management personnel is set out in notes 20 and 21 to the Annual Financial Statements.  4 OTHER RELATED PARTY TRANSACTIONS  The municipality concluded a contract with Leanco Business Services and services to the value of R 149 650,00 were paid to the business. The owner of this company, Mrs L Neething is related to the Councillor C. Neething.  Refer to note no 11 for transactions with muncipal entities. | 19 210 54           |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| Lears that were granted prior to this date, together with the conditions, are disclosed in note 12 to the Annual Financial Statements.  3 Compensation of key management personnel  The compensation of key management personnel is sellout in notes 20 and 21 to the Annual Financial Statements.  4 OTHER RELATED PARTY TRANSACTIONS  The municipality concluded a contract with Leance Business Services and services to the value of R 149 650,00 were paid to the business. The owner of this company, Mrs L Neething is related to the Councillor C. Neething. Refer to note no 11 for transactions with municipal entities.                                                                                                  | 19 3 (0 53)         |             |
| The compensation of key management personnel is set out in notes 20 and 21 to the Annual Financial Statements.  4 OTHER RELATED PARTY TRANSACTIONS  The municipality concluded a contract with Leance Business Services and services to the value of R 149 650.00 were paid to the business. The owner of this company, Mrs L Neething is related to the Councillor C. Neething. Refer to note no 11 for transactions with municipal entities.                                                                                                                                                                                                                                                                                      | 19 3 (0 53)         |             |
| 4 OTHER RELATED PARTY TRANSACTIONS  The municipality concluded a confract with Leanco Business Services and services to the value of R 149 650.00 were paid to the business.  The owner of this company, Mrs L Neething is related to the Councillor C. Neething.  Refer to note no 11 for transactions with municipal entities.                                                                                                                                                                                                                                                                                                                                                                                                    |                     |             |
| The municipality concluded a contract with Leanco Business Services and services to the value of R 149 650,00 were paid to the business. The owner of this company, Mrs L Neething is related to the Councillor C. Neething. Refer to note no 11 for transactions with muncipal entities.  3 GENERAL EXPENSES                                                                                                                                                                                                                                                                                                                                                                                                                       | 18 3 (0 54)         |             |
| The owner of this company, Mrs L Neething is related to the Councillor C. Neethling.  Refer to note no 11 for transactions with muncipal entities.  3 GENERAL EXPENSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19 3 (0 53)         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10 2 (0 52)         |             |
| Included in general exponses amounting to R104,282,919 ( 2006: R76,550,245) are the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 10 740 534          |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10 340 534          |             |
| Flood damages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 18,249,521          |             |
| Energy costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 6,511,225           | 5,084,64    |
| Chemicals Travel, Accompdation and Entertainment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 5,200,706           | 3,797,76    |
| Net realisable value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,313,062<br>39,335 | 1,435,10    |
| Transport costs t                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 13,025,071          | 10,064,80   |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 59,208,728          | 56,166,91   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 104,547,648         | 76,550,24   |
| 4 DEPRECIATION AND AMORTISATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |             |
| Depreciation: Property, Plant and Equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 30,705,014          | 25,523,887  |
| Amortisation: Intangible Assels                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 480,544             | 339,104     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 31,186,658          | 25,862,991  |
| 5 BAD DEBTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |             |
| Write offs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 27,908,999          | 13,688,79   |
| Adjustments to Provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | (4,950,678)         | 45 000 704  |
| ( See note 38(iv) for adjustment of comparative figure)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 22,958,121          | 13,688,794  |
| E EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |             |
| Provision for Sundry Debtor's and Housing Debtor's for 2006/2007 have for the first time been calculated in terms of IAS 39. Therefore the basis of provision for doubtful debts has changed from the prior year to the current year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |             |
| II) Housing Debtors  This debtors are assessed by reviewing their payment histories and ratios. Provision for bad debts is made accordingly.  Effect of the change in accounting estimate.  (Refer note no.12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8,068,599           | <del></del> |
| (ii) Sundry Debtors This debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for bad debts is made accordingly.  Effect of the change in accounting estimate.  (Refer note no.15)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3,226,473           |             |

## 47 EVENTS AFTER THE REPORTING DATE

On the 21<sup>st</sup> and 22<sup>st</sup> of Nevember 2007 George Municipality was also damaged by floods that hit the Eden District. At this time the amount of damage cannot be be quantified but Intrastructure was severely demaged and it is expected that Insurance proceeds will fall short.

APPENDIX A

GEORGE LOCAL MUNICIPALITY : EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2007

|                                                           |                                       | BALANCE        | RECEIVED      | REDEEMED       | TRANSFERRED | BALANCE        | Carrying                           | Other Costs      |
|-----------------------------------------------------------|---------------------------------------|----------------|---------------|----------------|-------------|----------------|------------------------------------|------------------|
|                                                           |                                       | AT             | DURING        | DURING         | DURING      | AT             | Value of                           | in accordance    |
| EXTERNAL LOANS                                            |                                       | 30/06/2006     | THE           | THE            | THE         | 30/06/2007     | Property,                          | with the<br>MFMA |
|                                                           |                                       | 8              | 8             | 8              | £           | æ              |                                    |                  |
| LONG - TERM LOANS:                                        |                                       |                | :             |                |             |                |                                    |                  |
| LOCAL REGISTERED STOCK                                    | oldomoobo O                           | ,              |               |                |             |                |                                    |                  |
| Stock Loan @ 13.35% 16   Stock Loan @ 12.58% 17           |                                       | 1,400,000.00   | 00.0          | (1,400,000.00) | 00.0        | 0.00           | Refer to note 3<br>Refer to note 3 | 0 0              |
| Total long - term loans                                   |                                       | 2,217,170.00   | 00.00         | (2,217,170.00) | 0.00        | 0.00           | 0                                  | 0                |
| ANNUITY LOANS:                                            |                                       |                |               |                |             |                |                                    |                  |
|                                                           |                                       | 22,621,656.01  |               | (1,723,590.88) | 0.00        | 20,898,065.13  | 19,348,211                         | 0                |
| 0 9.04%                                                   |                                       | 35,121,625.83  |               | (760,777.80)   | 0.00        | 34,360,848.03  | 33,708,036                         | 0                |
| (G) (C                                                    |                                       | 18,000,000.00  |               | (1,112,913.36) | 0.00        | 16,887,086.64  | 17,069,171                         |                  |
| @<br>9.41%                                                | 65 2026                               | 46,000,000,00  |               | (1,091,50,12)  | 00.0        | 15,908,492.73  | 15,807,975                         | 0                |
| @ 9.18%                                                   |                                       | 00.0           | 45,700,000.00 | 00.00          | 00:0        | 45,700,000.00  | 45,666,792                         | 0                |
| DBSA @ 9.365% 1067                                        |                                       | 00.00          | 47,400,000.00 | 0.00           | 0.00        | 47,400,000.00  | 47,344,932                         | 0                |
| Total annuity loans                                       |                                       | 139,743,281.84 | 93,100,000.00 | (5,528,045.29) | 0.00        | 227,315,236.55 | 225,335,464                        | 0                |
| LEASE LIABILITY: Vehicle Leases                           |                                       | 39 525 08      | 98 936 67     | (30 758 13)    | 2 581 85    | 110 285 47     | 870 00                             | c                |
| Other Leases                                              |                                       | 0.00           | 537,374.45    | (154,633.51)   | 0.00        | 382,740.94     | 408,063                            | 0                |
| Total leases                                              |                                       | 39,525.08      | 636,311.12    | -185,391.64    | 2,581.85    | 493,026.41     | 508,011                            | 0                |
| OTHER LOANS:<br>Electricity service : (DBSA)              |                                       | 6,460,493.23   | 0.00          | (180,645.08)   | 00.00       | 6,279,848.15   | 5,215,788                          | 1,064,060        |
| Stannic:<br>Zafira CAW 41876<br>(R163 599.87 - 60 months) |                                       | 5,453.59       | 0.00          | (5,453.59)     | 00.00       | 00.0           | 0                                  | 0                |
| Total Other Loans: George                                 |                                       | 6,465,946.82   | 0.00          | (186.098.67)   | 0.00        | 6.279.848.15   | 5.215.788                          | 1.064.060        |
| Wilderness:<br>Sewerage : (DBSA)                          | · · · · · · · · · · · · · · · · · · · | 2,531,816.24   | 0.00          | (90,422.01)    | 00.00       | 2,441,394.23   | 846,652                            | 1,594,742        |
| Total Other Loans : Wilderness                            |                                       | 2,531,816.24   | 00.0          | (90,422.01)    | 00.0        | 2,441,394.23   | 846,652                            | 1,594,742        |
| Total: Other Loans                                        |                                       | 8,997,763.06   | 0.00          | (276,520.68)   | 00:00       | 8,721,242.38   | 6,062,440                          | 2,658,802        |
| GRAND TOTAL                                               |                                       | 150,997,739.98 | 93,736,311.12 | (8,207,127.61) | 2,581.85    | 236,529,505.34 | 231,905,915                        | 2,658,802        |
|                                                           |                                       |                |               |                |             |                |                                    |                  |

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APPENDIX B GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 39 JUNE 2007

|                                  |                               |                    |            |                | COST       |           |                |                  |            | ACCIMUL           | ATEO DEPRECIATIO               | 2        |                    |                  |                  |
|----------------------------------|-------------------------------|--------------------|------------|----------------|------------|-----------|----------------|------------------|------------|-------------------|--------------------------------|----------|--------------------|------------------|------------------|
| Category/Type                    | Opening                       | Transfers          | Transfers  | Additions      | Write-offs | Disposals | Closing        | Opening          | Transfers  | Additions         | Additions Write-offs Disposals | isposals | Closing            | Carrying         | Budget Additions |
|                                  |                               |                    |            |                |            |           |                |                  |            |                   |                                |          |                    |                  |                  |
| INFRASTRUCTURE                   |                               |                    |            |                |            |           |                |                  |            |                   |                                |          |                    |                  |                  |
| Access control                   | 8,446.20                      | 000                |            | 0.00           | 0.00       | _         | 8,446.20       | (8,446,20)       | 80         |                   | 80                             | 0.00     | (8,446.20)         | 98°G             |                  |
| Bridges, subways & culverts      | 360,482.91                    | 00'0               |            | 3,861,246.41   | 00:0       |           | 4,241,729.32   | (25,365.41)      | 000        | (14,798.62)       | 800                            | 80.0     | (40,164,03)        | 4,201,565,29     | 3,861,800.00     |
| Bus terminals                    | 1,301,459.31                  | 00.0               |            | 1,381,411,51   | 00'0       |           | 2,682,870.82   | (111,902.91)     | 80         | (65,252,63)       | 000                            | 000      | (177,155,54)       | 2,505,715.28     | 1,383,000,00     |
| Car parks                        | 494,626,34                    | 80.0               | _          | 678,741.55     | 8:0        | _         | 1,173,367.89   | (304,637.07)     | 00:0       | (22.393.42)       | 000                            | 0.00     | (327,030.49)       | 846,337.40       | 750,000.00       |
| Fencing                          | 1,822,073.12                  | 34,970.00          | 6,492.58   | 1,642,955.50   | 00.0       |           | 3,506,491,20   | (1,029,189.27)   | 1,948.88   | (425,911.06)      | 00'0                           | 0.0      | (1.457,049,21)     | 2,049,441,99     | 1,858,700.00     |
| Footways                         | 86                            | 000                |            | 154,728.60     | 00.0       |           | 154,728.60     | 00'0             | 800        | (118.88)          | 8.                             | 8.6      | (118.88)           | 154,609.72       | 179,000,00       |
| Load Control equipment           | 2,345,955.31                  | 8                  |            | 739,869.06     | 00.0       | _         | 3,085,824,37   | (403,199.69)     | 00'0       | (117,296.58)      | 0.00                           | 00.0     | (520,496.27).      | 2,565,328.10     | 8,491,000,00     |
| Mains                            | 5,094,885.38                  | 80                 |            | 1,485,321.90   | 00.0       | 00.0      | 6,580,207.28   | (2,856.65)       | (1,567.47) | (240,087,98)      | 0.00                           | 00'0     | (241,377,16)       | 6,338,830,12     | 1,568,100.00     |
| Mains                            | 7,255.10                      | 000                |            | 88             | 0.00       | 8'0       | 7,255.10       | (7,255.10)       | 00.0       | 8.a               | 8                              | 0.00     | (7.255.10)         | 0.00             | 0.00             |
| Meters                           | 99,780.49                     | 0.00               | _          | 0.00           | 000        | 0.0       | 99,780.49      | (17,909,91)      | 0.0        | (4,988.98)        | 000                            | 0.00     | (24,958.69)        | 74,821.80        | 0.00             |
| Melers                           | 3,364,654.67                  | 0.0                |            | 000            | 00'0       | 000       | 3,364,654,67   | (700,475.90)     | 000        | (218,049.32)      | 0.00                           | 000      | (918,525,22)       | 2,446,129.45     | 000              |
| Motorways                        | 00'0                          | 00'0               |            | 308,314.27     | 0.0        | 000       | 308,314,27     | 0000             | 000        | (506.87)          | 8.0                            | 00'0     | (506.87)           | 307,807,40       | 309,000,00       |
| Office Buildings                 | 00'0                          | 00'0               | _          | 113,909,89     | 0.0        | 0.00      | 113,909.89     | 000              | 90.90      | (11,112.75)       | 0000                           |          | (11,173,66)        | 102,736.23       | 117,800.00       |
| Outfall sewers                   | 215,418.64                    | 0.00               |            | 000            | 0.0        | 00.00     | 216,418.64     | (21,641.74)      | 800        | (10,820.82)       | 0.00                           | 0.00     | (32,462.56)        | 183,956.08       | 8.0              |
| Paving                           | 000                           | 00.0               |            | 737,245.77     | 0.0        | 00.0      | 737,245.77     | 80               | 0.0        | (1,081.05)        | 80                             | 0.00     | (1,081.05)         | 736,164.72       | 1,161,500,00     |
| Power stations                   | 527,808.55                    | 000                |            | 00'0           | 00'0       | 90.0      | 527,808.55     | (374,055.07)     | 000        | (17,593.42)       | 000                            | 0.00     | (391,648,49)       | 136,160,06       | 80               |
| Pump stations                    | 2,867,255.49                  | 5,324,529.33       |            | 307,520.64     | 00.0       | 00'0      | 8,499,305.46   | (559,412.03)     | 800        | (408,595.76)      | 0.0                            | 000      | (968,007.79)       | 7,531,297.67     | 6,522,635.00     |
| Purification works               | 1,698,213.15                  | 00.0               |            | 00.0           | 80.0       | 00.0      | 1,698,213.15   | (1,060,809.50)   | 80.0       | (37,748,91)       | 0.0                            | 0.00     | (1,098,558.51)     | 599,654.64       | 00:0             |
| Other roads                      | 106,929,194.19                | 7,492,803.40       |            | 16,412,897.36  | 00.0       | 0.00      | 130,834,894.95 | (46,002,675.99)  | 00.0       | (8,572,795.43)    | 0.00                           | 00.00    | (54,575,471.42)    | 76,259,423.53    | 56,968,700.00    |
| Security systems                 | 1,408,070,93                  | 0.00               |            | 124,200.80     | 00.00      | 0.00      | 1,532,271.73   | (1,255,327.95)   | 0.0        | (63,872.38)       | 0.00                           | 000      | (1,319,200.33)     | 213,071.40       | 131,500.00       |
| Sewers                           | 57,577,539.58                 | 2,917,651.77       |            | 12,414,880.83  | 0.0        | 97.0      | 81.270,012,18  | (24,639,784.02)  | 00.00      | (2,700,500.04)    | 000                            | 000      | (27,340,284.06)    | 45,569,788.12    | 14,668,300.00    |
| Sludge machines                  | 3,427,380,92                  | 000                |            | 000            | 0.00       | 00.0      | 3,427,380.92   | (2,302,154.88)   | 000        | (226,664.38)      | 0.0                            | 000      | (2,528,819.26)     | 896,561.66       | 0.00             |
| Sewerage pumps                   | 4,852,963.08                  | 00.0               |            | 000            | 0.00       | 9.0       | 4,852,983.08   | (1,501,107,71)   | 86         | (304,545,61)      | 8.                             | 0.00     | (1,805,653.32)     | 3,047,309.76     | 121,000.00       |
| Street lighting                  | 8,709,733,73                  | 00'0               |            | 930,042.68     | 0.00       | 0.00      | 9,639,776.41   | (2,710,958.07)   | 294.91     | (441,853.49)      | 8.0                            | 000      | (3,153,106.47)     | 6,486,669.94     | 1,259,000.00     |
| Supply/reticulation              | 94,754,199,80                 | 10,994,786,21      |            | 5,218,534.11   | 000        | 000       | 110,967,520.12 | (37,631,125.73)  | 1,211.66   | (4,231,461.77)    | 000                            | 000      | (41,863,799,16)    | 69,103,720.96    | 5,782,400.00     |
| Supply/reticulation              | 62,594,776.19                 | 3,806,479.36       |            | 35,798,490.94  | 0.00       | 0.0       | 102,199,746.49 | (26,406,148.46)  | 164.03     | (3.038,363.04)    | 0000                           | 0.00     | (29,444,675.53)    | 72,755,070,96    | 35,843,200.00    |
| Stormwater drains                | 4,075,840.18                  | 0.00               |            | 10,022,215.57  | 0.0        | 0.00      | 14,099,056.75  | (116,234.35)     | 000        | (237,705.54)      | 0.00                           | 0.00     | (353,939.89)       | 13,744,115.86    | 10,226,500,00    |
| Switchgear equipment             | 6,117,022.00                  | 0.00               |            | 1,502,503.61   | 0.00       | 8.0       | 7,619,525.61   | (2,398,595.56)   | 0.0        | (300,390,30)      | 00.00                          | 000      | (2,698,985.86)     | 4,920,539.75     | 1,533,965.00     |
| Reservoirs & tanks               | 10,507,944.06                 | 0000               |            | 000            | 0.0        | 90.0      | 10,507,944,06  | (7,154,780.55)   | 00.0       | (375,972.36)      | 0.00                           | 0000     | (1,530,762,91)     | 2,977,181.15     | 80               |
| Transformer kiosks               | 16,226,159.49                 | 00'0               |            | 11,678,381.96  | 00.0       | 8.0       | 27,904,521.45  | (3,698,059.62)   | (56.67)    | (534,952,36)      | 00'0                           | 000      | (4,232,955,31)     | 23,671,566.14    | 11,802,900.00    |
| Traffic islands                  | 11,434.20                     | 0.00               |            | 000            | 0.00       | 800       | 11,434.20      | (11,434,20)      | 000        | 000               | 00'0                           | 00'0     | (11,434.20)        | 000              | 0.00             |
| Traffic lights                   | 3,762,476,38                  | 0.00               |            | 2,840,735.08   | 800        | 000       | 6,603,211.46   | (647,544.44)     | 000        | (185,758.63)      | 0.00                           | 00.0     | (833,303.07)       | 5,769,908.39     | 2,868,000.00     |
| Street names & traffic signs     | 631,916,20                    | 000                |            | 800            | 000        | 00.0      | 631,916.20     | (71,686 13)      |            | (31,588.41)       | 0.0                            | 000      | (103,254,54)       | 528,661,66       | 0.00             |
|                                  | 401,815,965,59                | 30,571,220.07      | 6,492.58   | 108,354,128.04 | 0.00       | 0,00      | 540,747,806.28 | (161,176,824.01) | 2,056.24   | (R 22,842,780,80) | R 0.00                         | R 0,00   | (R 184,021,661.05) | R 356,726,145,23 | R 167,408,000.00 |
| COMMUNITY                        |                               |                    |            |                |            |           |                |                  |            |                   |                                |          |                    |                  |                  |
| Beach developments               | 2,676,711,34                  | 8.0                |            | 900            | 80         |           |                | (145,728.24)     | 0.00       | (89,222.81)       |                                | 000      | (234,951.05)       | 2,441,760.29     | 0.00             |
| Care centres                     | 1,345,233,64                  | 00.0               |            | 188.320.85     | 000        | 000       | 1.533 554.50   | (95,897,15)      | 000        | (5,324,32)        |                                | 8 8      | (101,221,47)       | 5,266.31         | 0.00             |
| Cemeteries                       | 58,330.05                     | 9,531.00           |            | 80.0           | 00.0       |           |                | (13,521.51)      | 8.0        | (7,262,04)        |                                | 000      | (15,783.55)        | 52,077,50        | 0.00             |
| Community centres                | 18,811,615,94                 | 0.00               |            | 1,183,026.38   | 000        |           | 19,994,6       | (1,262,038.57)   | 8          | (627,247.31)      | 0.00                           | 000      | (1,889,285,88)     | 18,105,356,44    | 1,330,000.00     |
| Fire stations                    | 268.672.35                    | 000                | (6,492,38) | 116 736 56     | 000        |           | 785 478 91     | (88.88)          | (1,948,88) | 000               | 8 8                            | 8 8      | 00.0               | 206 700 76       | 0.00             |
| Floodighting                     | 5,848,100.44                  | 00.0               |            | 800            | 000        | 80        | 8              | (197,159.52)     | 98.0       | (290,201.45)      | 8                              | 80       | (487,360.97)       | 5,380,739.47     | 0.00             |
| Game reserves/rest camps         | 26,998.37                     | (26,998.37)        |            |                |            |           | -              | (599.14)         | (599.14)   | 00'0              |                                | 8        | 0.00               | 000              | 0.0              |
| Cinconospitais                   | 1.823,763,17                  | 900                |            | 989,999.73     | 0.00       |           | 2,823,762,90   | (637,636,85)     | 8.6        | (60,882,71)       |                                | 8 8      | (698,519.56)       | 2,125,243.34     | 1,000,000,00     |
| Housing Schemes                  | 2,740,153.44                  | 8.0                |            | 8,337,513.49   |            |           | ŧ.             | (1,190,458,71)   | 8 8        | (92,814.90)       | 8 8                            | 888      | (1,283,273,61)     | 9,794,393,32     | 10,275,000.00    |
| Indoor sports                    | 127,552.33                    | 00:0               |            | 0.00           |            |           |                | (91,939.06)      | 0.00       | (4,251.66)        | 000                            | 00'0     | (96.189.72)        | 31,362,61        | 000              |
| Libraries<br>Municipal buildings | 1,732,025.55<br>32 805 506 41 | 00:0<br>Pr 263 026 |            | 0.00           | 8 8        | 8 8       | 1,732,025,55   | (685,571.53)     | 8 6        | (57,733.55)       | 8 8                            | 8.8      | (743,305.08)       | 988,720.47       | 00:0             |
| Municipal houses                 | 137,519.10                    | 00'0               |            | 000            | 000        |           |                | (88,675.59)      | 800        | (6,182.90)        |                                | 88       | (94,858.49)        | 42,660.61        | 00:00            |
| Museum/art galleries             | 2,864.00                      | 00:00              |            | 000            | 000        |           |                | (2,043.86)       |            | (88.79)           |                                | 0.00     | (2,132.65)         | 531.35           | 000              |
| Netball courts                   | 5,672,94                      | 0.00               |            | 0.00           | 000        |           | 5,672.94       | (5,672,94)       |            | 000               | 00.0                           | 00:0     | (5,672.94)         | 0.00             | 0.00             |

APPENDIX B
GEORGE LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

| Column   C   |                                    |                    |              |            |               |            | Niemark      | Closing        | Opening             | Transfers    | Additions       | Write-offs C | Disposals   | Closing           | Carrying        | Budget Additions |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------|--------------|------------|---------------|------------|--------------|----------------|---------------------|--------------|-----------------|--------------|-------------|-------------------|-----------------|------------------|
| Column   C   | Category/Type                      | Opening<br>Balance | Transfers    | Transfers  | Additions     | Write-offs | Disposais    | Balance        | Balance             |              | artantina.      |              |             | Balance           | Value           |                  |
| Column                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | . ;                                |                    |              |            |               |            |              |                |                     |              |                 |              |             |                   |                 |                  |
| Column   C   | COMMUNITY (CONTINUED)              |                    |              |            |               |            |              |                |                     |              | -               |              |             |                   |                 |                  |
| Column                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Office Buildings                   | 3,826,912.04       | 863,143.38   | 0.00       | 205,560,68    | 8          | 0.0          | 4,895,616.10   | (284,645.90)        | 00.0         | (130,447.10)    | 0            | 00.0        | (415,093.00)      | 4,480,523.10    | 900,300.00       |
| 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Outdoor sports facilities<br>Parks | 7,016,539.65       | 9 8          | 8 8        | 3,166,562.83  | 8 8        | 8 8          | 10,183,102.52  | (2,684,076.10)      | 0.00         | (408,851.87)    | 6            | 00'0        | (1,092,927.97)    | 7,090,174,55    | 3,496,000.00     |
| Column   C   | Public conveniences/balt-houses    | 27.090.877.1       | 8 8          | 8 8        | 2002          | 8 8        | 8 8          | 1,044,049,80   | (264,586.14)        | 8 8          | (34,801.29)     | 5 6          | 000         | (299,387,43)      | 744,662.37      | 0.00             |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Recreation centres                 | 366,328.10         | 1,868,712.35 | 8          | 1,067,986.85  | 98.0       | 8 8          | 3,303,027,30   | (32,420,18)         | 8 8          | (102,620,35)    | 5 6          | 8 8         | (135 050 53)      | 3 167 976 77    | 1,068,000,00     |
| The column   | Swimming Pool                      | 0.00               | 6,087,206,28 | 80.0       | 2,582,856.05  | 000        | 000          | 8,670,062.33   | 0.00                | 00.0         | (1,187,79)      | 6            | 000         | (1,187,79)        | 8,668,874,54    | 2,712,000,00     |
| Column   C   | Tennis courts                      | 215,823.88         | 800          | 00'0       |               | 0.0        | 000          | 215,823,88     | (189,105.99)        | 0.00         | (5,794.88)      | ò            | 0.0         | (194,900.87)      | 20,923.01       | 00'0             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Workshop                           | 1,024,875,94       | 000          | 000        |               | 800        | 000          | 1,024,875.94   | (393,561,89)        | 000          | (34,162,02)     | 0            | 00.00       | (427,723,91)      | 597,152,03      | 0.0              |
| Column                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                    | 7.064,490,50       | 2,12,150,5   | (6,432,38) | 18,544,193,41 | 00.0       | 0.00         | 111,953,358.03 | (R 17, 567, 660.92) | (R 2,548.02) | (R3,167,121.42) | R 0.00       | R 0.00      | (R 20,732,234.32) | R 91,221,123.71 | R 23,957,300.0   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | HERITAGE                           |                    |              |            |               |            |              |                |                     |              |                 |              |             |                   |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Hemage buildings                   | 607 331 38         | 000          |            | 8 8           | 000        | 00.0         | 607,331,38     | 000                 |              |                 | 80           |             | 0000              | 607,331,38      | 0.00             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | 36,166,100         | Do.          | l          | 30'0          | 000        | 000          | 607,331,38     | 00'0                | 0.00         | 0.00            | 0.00         | 0.00        | 0.00              | 607,331,38      | 0.00             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | OTHER                              |                    |              |            |               |            |              |                |                     |              |                 |              |             |                   |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Air conditioners                   | 154,002.87         | 0:00         | 0.00       | 0.00          | 00.00      | 000          | 154,002.87     | (122,308.17)        | 000          | (11,995.01)     | 0.00         | 0.00        | (134,303.18)      | 19,689,69       | 8                |
| 1   1   1   1   1   1   1   1   1   1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Animal Found                       | 80 8               | 26,998.37    | 8 5        | 76,615.00     | 0.00       | 8            | 103,613.37     | 800                 | 599.14       | (5,399.61)      | 000          | 000         | (5,998.75)        | 97,614.62       | 110,000,0        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bulk containers                    | 934.387.86         | 900          | 8 8        | 7.67.9.400.81 | 8 8        | 000          | 3,6/9,046,75   | 000                 | 000          | 000             | 000          | 000         | 000               | 3,679,046.75    | 6,453,000.00     |
| 1.   1.   1.   1.   1.   1.   1.   1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cabinets/cupboards                 | 109,410.66         | 800          | 8          | 8             | 000        | (10.054.80)  | 99.355.89      | (109 410 58)        | 3 8          | 0000            | 8 8          | 10.054.80   | (358,803.28)      | 495,370,91      | 8.5              |
| 1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,00   | Caravan Parks                      | 000                | 90.0         | 0.0        | 813,939.70    | 80         | 80           | 813,938.70     | 000                 | 8            | (446.04)        | 000          | 000         | (446.04)          | 913.493.66      | 814,000,00       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Computer hardware                  | 2,207,096.52       | 0.00         | 00:00      | 202,017.89    | 00'0       | 000          | 2,409,114,42   | (1,687,157,35)      | (136,44)     | (80,646.21)     | 00'0         | 000         | (1,767,667.12)    | 641,447.30      | 207,000.00       |
| Part                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Compactor - landfill               | 00.00              | 800          | 0.00       | 000           | 00'0       | 00.0         | 000            | 00'0                | 870          | 0000            | 8.0          | 00'0        | 000               | 000             | 0.00             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Computer software                  | 1,699,421.96       | 8 1          | 000        | 59,422.17     | 0.0        | 80           | 1,758,844,13   | (1,485,285,93)      | 800          | (151,315.77)    | 9.0          | 00.00       | (1,637,602.70)    | 121,241,43      | 60,000,00        |
| Column   C   | Electrical equipment               | 101625.26          | 8 8          | 8 8        | 776 560 00    | 88.8       | 8 8          | 74,000.00      | 000                 | 000          | (648.83)        | 8 8          | 8 8         | (648.83)          | 73,351.17       | 86,000.00        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | aboratory equipment                | 49,475,00          | 8 6          | 8 8        | 000           | 8 8        | 8 8          | 49.475.00      | (20,324.86)         | 99.6         | (9,894.90)      | 8 8          | 80.0        | (58,825.60).      | 73,585,60       | 885,000,00       |
| 1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,000,000   1,00   | Radio equipment                    | 629,659.18         | 98.0         | 800        | 42,021.43     | 000        | 000          | 671,680,61     | (603.032.47)        | (160,714.25) | (17,679,42)     | 8            | 80          | (459,997,64)      | 211,682,97      | 42,100.00        |
| 1,2,2,2,2,2,3,3,3,3,3,3,3,3,3,3,3,3,3,3,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Telecommunication equipment        | 688,200.08         | 00.0         | 000        | 188,997.70    | 080        | 000          | 87.191.78      | (248,891,56)        | 160,850.69   | (156,692,91)    | 00:00        | 8.0         | (566,435.16)      | 310,762,62      | 194,400.00       |
| 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Fire equipment                     | 376,249.87         | 0.00         | 8 3        | 72,330.00     | 0.0        | 0.00         | 448,579.87     | (240,542.75)        | 0.00         | (24,096,55)     | 0.0          | 0.00        | (264,639.30)      | 183,940,57      | 90,000,00        |
| Part      | General plant                      | 7 056 697 60       | 8 8          | 3 8        | 121 489 69    | 8 8        | 0.00         | 1,080,530,00   | 00.0                | 00'0         | (592.13)        | 8 8          | 8           | (592.13)          | 1,079,937.87    | 1,080,600.00     |
| 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Fire hoses                         | 96,801,24          | 00'0         | 900        | 000           | 8 8        | (000         | 96 R01 24      | (4,241,779,30)      | (50.54)      | (002,122,11)    | 8 8          | S6:591, 955 | (4,384,507,64)    | 2,031,190,63    | 957,700.00       |
| Fig. 11 (1) (1) (1) (1) (1) (1) (1) (1) (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Hoist - refuse bins                | 69,291.67          | 0.0          | 90.0       | 000           | 8.         | 000          | 69,291.67      | (60,227,34)         | 000          | (1,813.83)      | 8 8          | 8           | (62,041.17)       | 7,250,50        | 88               |
| Particular   17,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Lathes                             | 55,041.80          | 000          | 0.00       | 0.00          | 00.0       | 00'0         | 55,041.80      | (55,041.80)         | 000          | 00'0            | 9.0          | 80'0        | (55,041,80)       | 00.0            | 000              |
| 11,11,11,11,11,11,11,11,11,11,11,11,11,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Loader - drill                     | 771,676.03         | 80           | 0.0        | 0.00          | 0.00       | 000          | 771,676.03     | (308,668.86)        | 000          | (154,333,66)    | 000          | 000         | (463,002.52)      | 308,673.51      | 0.00             |
| 13, 15, 15, 15, 15, 15, 15, 15, 15, 15, 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Loader - front - end               | 000                | 800          | 00.0       | 399,030,26    | 80         | 8 1          | 339,030,26     | 00'0                | 000          | (23,613.81)     | 0.00         | 8.0         | (23,613.81)       | 375,416.45      | 399,031,00       |
| Column   C   | Office machines                    | 373 708 25         | 3 8          | 3 8        | 0,00          | 8 8        | 8 8          | 373,104.52     | (225,662.85)        | 000          | (34,121.83)     | 8.0          | 8 8         | (259,784.68)      | 113,319,84      | 00.0             |
| 4. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Other land                         | 4,238,881.98       | 0.0          | 0.0        | 800           | 8          |              | 4,239,881,98   | (000                | 8 8          | 0.00            | 8 8          | 8 8         | 000               | 4 238 881 98    | 000              |
| 14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0   14.0      | Pumps                              | 00:00              | 00.0         | 9.0        | 0.0           | 0.0        | 00:0         | 000            | 80                  | 000          | 00'0            | 8            | 00'0        | 000               | 000             | 4,371,000.00     |
| 4,44,361 (4)         5,44,361 (4)         6,44,361 (4)         6,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         0,00         <                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Tables/desks                       | 252,701.02         | 00:0         | 0.0        | 800           | 0.00       | 8            | 252,701.02     | (115,714.04)        | 00:0         | (33,470,09)     | 000          | 800         | (149,184.13)      | 103,516.89      | 000              |
| 6.4.3281.44         2.5.2821.44         0.00         0.00         1.00         1.00         1.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00 <td>Tippers</td> <td>421,296.01</td> <td>000</td> <td>000</td> <td>000</td> <td>0.0</td> <td>(80,934,39)</td> <td>340,361.62</td> <td>(242,156.01)</td> <td>000</td> <td>(22,690.54)</td> <td>8</td> <td>80,934.39</td> <td>(183,912.16)</td> <td>156,449,46</td> <td>000</td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Tippers                            | 421,296.01         | 000          | 000        | 000           | 0.0        | (80,934,39)  | 340,361.62     | (242,156.01)        | 000          | (22,690.54)     | 8            | 80,934.39   | (183,912.16)      | 156,449,46      | 000              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Tip Sites                          | 6,748,981.49       | 251,828.50   | 800        | 80            | 0.0        | 0.00         | 7,000,809.99   | (222,136.19)        | 00:0         | (233,358,04)    | 0.00         | 00'0        | (455,494.23)      | 6,545,315.76    | 000              |
| 14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78.14   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.77.78   14.   | Town olanoine                      | 0.00               | 0.00         | 8 8        | 0000          | 8 8        | 8 8          | 90 .           |                     | 800          | 0.00            | 8            | 8.0         | 000               | 80.0            | 27,574.00        |
| 1.13.80   1.13.80   1.13.80   1.13.80   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1.10   1    | frailers                           | 140,128.47         | 00'0         | 8 8        | 156,875.92    | 800        | 000          | 287,004.38     | (3,090,46)          | 8 8          | (928,330.86)    | 8 8          | 8 8         | (6,963,962.21)    | 265 405 16      | 163 100 00       |
| National Column   C   | Vacant land                        | 3,133,808.38       | 3,253,111.07 | 000        | 1,237,186.95  | 00.0       | 000          | 7,624,106.40   | (57.27)             | 800          | (252.67)        | 80           | 8           | (275.46)          | 7,623,830,94    | 3,982,496.00     |
| 2,500.00   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365   1,77,365    | Valuation Roll                     | 0.00               | 080          | 900        | 800           | 0.00       | 000          | 000            | 00.0                | 000          | 00'0            | 800          | 800         | 00'0              | 0.00            | 1,525,000.00     |
| 1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5   1.5    | Vehicles                           | 2,256,005,83       | 1,472,965.54 | 00.00      | 2,814,718.94  | 800        | 000          | 6,543,690.31   | (631,612.27)        | B0'0         | (470,568.54)    | 80           | 800         | (1,102,180.81)    | 5,441,509.50    | 3,090,629,00     |
| Processes of the control of                         | Compressors                        | 56,586,70          | 80           | 8 8        | 8 8           | 8 8        | 000          | 56.586.70      | (36.287.53)         | 000          | (299.17)        | 8 8          | 88.8        | (1,884.20)        | 3,365.80        | 90.0             |
| 1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50   1.50      | Compactor Inuck - refuse           | 709,738.74         | 0.00         | 90.0       | 893,989.24    | 8.0        | (8,000.00)   | 1,595,727.98   | (682,309.43)        | 00'0         | (38,568.20)     | 000          | 7,872.84    | (713,004.79)      | 882,723.19      | 893,990.00       |
| ## 150 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Fire engines                       | 342,689.47         | 00'0         | 8.0        | 2,133,815.96  | 000        | 800          | 2,476,505,43   | (68,217,09)         | 000          | (17,426,60)     | 800          | 00:0        | (65,643,69)       | 2,390,861,74    | 2,280,000.00     |
| 1,000,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000   1,000      | Graders                            | 25,201,75          | 8 8          | 8 8        | 8 8           | 8 6        | 80           | 678,201.76     | (624,994.40)        | 00:0         | (53,207,36)     | 8            | 000         | (678,201.76)      | 80              | 80'0             |
| 000 000 000 000 000 000 000 000 000 00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Pound vehicles                     | 21,748,30          | 8 8          | 8 8        | 8 8           | 8 8        | (4,633,00)   | 70,381,32      | (67,380,58)         | 8 8          | (4.337.77)      | 0 0          | 6,633.00    | (66,736,78)       | 3,650,54        | 800              |
| 88 (28:59) (61,585,001) 0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 (0.00 ( | Trucks/bakkies                     | 10,923,537,46      | 0.00         | 00.0       | 1,544,410.93  | 8          | (242,890,47) | 12,225,051.92  | (6,807,807.80)      | 866          | (1,287,711,98)  | 0.0          | 227,777,89  | (7,867,741,69)    | 4,357,316.03    | 1,656,765.00     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Tractors                           | 189,820.00         | 0000         | 0.00       | 000           | 000        | 000          | 189,820.00     | (108,752,24)        | 000          | (11,799.90)     | 000          | 00:00       | (120,552.14)      | 69,267.86       | 00:0             |

APPENDIX B

GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

| Calculation of the second control of the sec | crimon           | Technology        | Transfers | Additions              | COST          | 1              | - Indiana        | Onseine            | Tanalara T | ACCUMULA          | ⊴ا         | NOI          |                              |                  | 100               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|-----------|------------------------|---------------|----------------|------------------|--------------------|------------|-------------------|------------|--------------|------------------------------|------------------|-------------------|
| our do la                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Balance          | WIP               | Other     | Additions              | etile-onis    | Disposais      | Balance          | Balance            | italisters | Significan        | Witte-Oils | Disposais    | Balance                      | Value            | Sudget Additions  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                   |           |                        |               |                |                  |                    |            |                   |            |              |                              |                  |                   |
| LEASED INFRASTRUCTURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                  | :                 |           |                        | ;             |                |                  |                    |            |                   |            |              |                              | -                |                   |
| Other (Leases)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0.00             | 000               | 000       | 476,649.32             | 000           | 000            | 476.649.32       | (54,465./0)        | 800        | (57,5863.77)      | 000        | 0.00         | (122,049,47).<br>(68,586,68) | 408.062.64       | 000               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 123,060.41       | 00'0              | 00'0      | 575,586.00             | 0.0           | 00.0           | 698,646,41       | 64,465,70          | 0.00       | -126,170,45       | 0.00       | 00'0         | -190,636.15                  | 508,010,26       | 00.0              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                   |           |                        |               |                |                  |                    |            |                   |            |              |                              |                  |                   |
| HOUSING DEVELOPMENT FUND<br>Unsold Units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2,499,664,45     | 00.0              | 00.0      |                        | (17,154.84)   | . 60           | 2,482,509.61     | 000                | 000        |                   | 000        |              | 00'0                         | 2,482,509,61     | 00'0              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,499,664.45     | 00.0              | 0,00      | 0.00                   | -17,154,84    | 0.00           | 2,482,509.61     | 0.00               | 00.0       | 0.00              | 0.00       | 00:00        | 0.00                         | 2,482,509.61     |                   |
| StriB. TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 63 853 120 177   | 26 CAR 640 AG     |           | AND CONTROL            | 10.121        |                | 7 274 700 247    | 12 366 VIII 200    |            | 200               |            | 200          |                              | į                |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10.000           | 75.0H. (510.0h    |           | 14,000,130,130,1       | 19.6          | 244, 150, 7    | 97'110'107'50'   | 404,357,455,444    | 0.00       | 8)*H 0'501'69     | OC'S       | N9.768,676   | 7L'/8C'9L)'567-              | 428,421,0/4,64   | 00.555,648,633.00 |
| WORK S-IN-PROGRESS<br>Buildings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 399,645.94       | (399,645,94)      | 00.0      | 2,875,698,22           | 88            | 86             | 2,875,698.22     | 000                | 000        | . 000             | . 00       | 890          | 86                           | 2.875.698.22     | 80                |
| Care centres                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 00:00            | 00.0              | 0.00      | 488,079,65             | 800           | 000            | 488,079,65       | 80                 | 000        | 000               | 000        | 000          | 000                          | 488,079,65       | 80                |
| Cemeteries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 00.162,8         | (9,531,00)        | 000       | 00:0                   | 800           | 800            | 0.00             | 000                | 00.0       | 80                | 800        | 800          | 000                          | 000              | 00.0              |
| Computer hardware                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 888              | 8 8               | 8 8       | 00.0                   | 000           | 8 8            | 00.0             | 88                 | 8 8        | 80                | 80 8       | 80           | 000                          | 00:0             | 80                |
| Fencing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 34.970.00        | (34970.00)        | 3 8       | 31,230,00<br>80 649 25 | 8             | 8 8            | 80.649.25        | 8 8                | 8.6        | 000               | 3 8        | 8 8          | 8 8                          | 30,000,FL        | 8 8               |
| Floodlighting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 00.0             | 000               | 80        | 000                    | 000           | 80             | 000              | 86                 | 80         | 000               | 80         | 000          | 000                          | 000              | 900               |
| Municipal buildings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 249,624.35       | (249,624.35)      | 000       | 00'0                   | 000           | 000            | 000              | 000                | 00'0       | 000               | 000        | 00:0         | 00'0                         | 000              | 0.00              |
| Office Buildings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 863,143.38       | (862,143,38)      | 000       | 00:0                   | 000           | 900            | 000              | 8.0                | 0.00       | 0.00              | 80         | 0.0          | 8.0                          | 00:0             | 0.00              |
| Paving                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 80               | 000               | 88        | 2,493,360.77           | 800           | 900            | 2,493,360.77     | 80                 | 000        | 000               | 000        | 000          | 000                          | 2,493,360,77     | 000               |
| Pumps                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | BC 300 01/2 31   | U.D.              | 8 8       | 4,3/0,3/3.61           | 8 8           | 8 8            | 4,370,373,61     | 8 8                | 8 8        | 800               | 800        | 8 8          | 888                          | 4,370,373.61     | 8 8               |
| Purification works                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0.00             | 00'0              | 9 00      | 0.00                   | 8 8           | 3 8            | 00'0             | 8 8                | 88         | 00°0              | 8 8        | 8 8          | 83.0                         | 22 SPK 827 / L   | 8 8               |
| Recreation centres                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1,868,712.35     | (1,868,712.35)    | 0.00      | 00:0                   | 000           | 86             | 000              | 00'0               | 800        | 0.00              | 000        | 86           | 80                           | 86               | 80                |
| Other roads                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 28,149,271.91    | (7,492,803.40)    | 000       | 40,279,960.96          | 0.00          | 0.00           | 60,936,429,47    | 80                 | 00'0       | 00:00             | 000        | 0.00         | 000                          | 60,936,429,47    | 00.00             |
| Sewers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 17,945,438,37    | (2,917,651.77)    | 000       | 175,000.00             | 0.00          | 00'0           | 15,202,786.60    | 0.00               | 080        | 0.00              | 80         | 000          | 00°0                         | 15,202,786.60    | 000               |
| Sewerage pumps                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 00:0             | 8                 | 80        | 120,571,85             | 80            | 86             | 120,571,85       | 000                | 8          | 0.0               | 000        | 000          | 800                          | 120,571.85       | 000               |
| Street ignting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0.00             | 000               | 8 8       | 258,849,61             | 000           | 8 8            | 258,849,61       | 0.00               | 80.0       | 800               | 8 8        | 800          | 980                          | 258,849,61       | 8 5               |
| Supplyreticulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10 994 786 71    | (3,800,478,300)   | 8 8       | OS INVESTOR            | 8.8           | 8 8            | 06,140,65c       | 86                 | 3 8        | 8 8               | 3 8        | 8 6          | 8 8                          | 08,190,85c       | 000               |
| Swimming pools                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 6.087,206.28     | (6.097,206.28)    | 8 8       | 8 8                    | 8 8           | 8 8            | 8 8              | 8 8                | 86         | 8 8               | 3 8        | 000          | 3 8                          | 8 8              | 8 8               |
| Tip Sites                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 251,828.50       | (251,828.50)      | 000       | 88                     | 000           | 000            | 86               | 000                | 000        | 80                | 80         | 000          | 80                           | 900              | 000               |
| Town planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1,649,552.01     | (1,649,552,01)    | 00'0      | 00:0                   | 000           | 000            | 000              | 80                 | 000        | 000               | 80         | 0.0          | 0000                         | 8                | 000               |
| Vacant land                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,253,111,07     | (3,252,111,07)    | 80        | 00:00                  | 000           | 000            | 870              | 80'0               | 000        | 800               | 000        | 000          | 800                          | 00:0             | 80                |
| Valuation Roll                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 000              | 000               | 90. 80    | 1,515,102.06           | 8             | 0.00           | 1,515,102.06     | 80                 | 800        | 80                | 8 8        | 000          | 80                           | 1,515,102.06     | 86                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | # TPR 77+1       | (147,380.34)      | 000       | 80                     | Bio           | Bio            | Min              | Bio                | Bin        | 000               | 800        | B            | 000                          | 800              | 000               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | R 93,376,291.55  | (R 46,676,540.49) | R 0.00    | R 59,531,427.70        | R 0.00        | R 0,00         | R 106,231,178.76 | R 0.00             | R 0.00     | R 0.00            | R 0.00     | R 0.00       | R 0.00                       | R 106,231,178.76 | R 0.00            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                   |           | -                      | 000           |                |                  |                    |            |                   |            |              |                              |                  |                   |
| TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | R 637,207,950.17 | R 0.00            | R 0.00    | R 204,192,185.94       | (R 17,154,84) | (R 944,130.75) | R 840,438,850.52 | (R 204,937,235,44) | (R 6.00)   | (R 30,705,014.28) | R 0.00     | R 925,652.60 | (R 234,716,597.12)           | R 605,722,253.40 | R 222,448,633,00  |
| g:/magda/STATE 2006//EXTERNAL2006.xls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | .2006.xfs        |                   |           |                        |               |                |                  |                    |            |                   |            |              |                              |                  |                   |

## APPENDIX C

## GEORGE LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

## 30 JUNE 2007

| The state of the s | Procedural Procedure |                                   | Cost               | ţ             |                |                  |                    | Accur             | Accumulated Depreciation | ion          |                    |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------|--------------------|---------------|----------------|------------------|--------------------|-------------------|--------------------------|--------------|--------------------|------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Opening Balance      | Additions                         | Under Construction | Write-offs    | Disposals      | Closing Balance  | Opening Balance    | Additions         | Write-offs               | Disposals    | Closing Balance    | Carrying Value   |
| Finance & Admin                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 26,970,591.08        | 5,260,556.89                      | 000                | 0.00          | (877,112.26)   | 31,354,035.71    | (13,242,727.20)    | (2,534,900.78)    | 00:0                     | 858,634.11   | (14,918,993.87)    | 16,435,041,84    |
| Planning & Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3,130,514.26         | 9,383,592.88                      | 1,515,102.06       | 00:0          | 0.00           | 14,029,209.20    | (2,403,178,26)     | (89,442.06)       | 0.00                     | 00'0         | (2,492,620.32)     | 11,536,588.88    |
| Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2,793,752.16         | 999,999.73                        | 0.00               | 00'0          | 0.00           | 3,793,751.89     | (928,224,33)       | (92,944.75)       | 0.00                     | 00:0         | (1,021,169.08)     | 2,772,582.81     |
| Community & Social Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 52,044,990.67        | 5,610,667,59                      | 682,098.12         | 0.00          | 0.00           | 58,337,756.38    | (10,035,445.88)    | (1,881,127.87)    | 0.00                     | 00:0         | (11,916,573.75)    | 46,421,182.63    |
| Housing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 17,144,572.96        | 3,550,009.78                      | 488,079.65         | (17,154.84)   | 0.00           | 21,165,507.55    | (1,283,988.53)     | (1,011,671.95)    | 0.00                     | 00.00        | (2.295,660.48)     | 18,869,847.07    |
| Public Safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7,178,724.98         | 3,918,905,19                      | 0.00               | 00.0          | (31,804.80)    | 11,065,825.37    | (1,743,319.21)     | (384,402.10)      | 00.0                     | 31,804,80    | (2,095,916.51)     | 8,969,908.86     |
| Sport & Recreation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 25,650,469.02        | 6,881,373.90                      | 00:00              | 0.00          | 0.00           | 32,531,842.92    | (4,562,805.04)     | (970,297,64)      | 0.00                     | 00:00        | (5,533,102.68)     | 26,998,740.24    |
| Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 239,587,278.80       | 50,672,686.58                     | 50,300,712,22      | 0.00          | (35,213.69)    | 340,525,463.91   | (79,287,356.76)    | (12,512,120.34)   | 0.00                     | 35,213.69    | (91,764,263.41)    | 248,761,200.50   |
| Road Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 9,379,987.29         | 136,174.08                        | 0.00               | 00.0          | 0.00           | 9,516,161.37     | (3,391,332,46)     | (681,281.55)      | 00'0                     | 00:0         | (4,072,614.01)     | 5,443,547.36     |
| Water                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 107,980,687.05       | 36,666,326.33                     | 6,414,185.65       | 00.0          | 0.00           | 151,061,199.03   | (35,730,827.66)    | (4,166,048.16)    | 0.00                     | 0.00         | (39,896,875.82)    | 111,164,323.21   |
| Electricity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 145,346,381.90       | 21,580,465.29                     | 131,250.00         | 000           | 0.00           | 167,058,097.19   | (52,328,030.11)    | (6,380,777.08)    | 00:00                    | 000          | (58,708,807.19)    | 108,349,290.00   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | R 637,207,950.17     | R 637,207,950,17 R 144,660,758.24 | R 59,531,427.70    | (R 17,154.84) | (R 944,130.75) | R 840,438,850.52 | (R 204,937,235.44) | (R 30,705,014.28) | R 0.00                   | R 925,652.60 | (R 234,716,597.12) | R 605,722,253.40 |

## APPENDIX C (1)

## GEORGE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT BY SERVICE

30 JUNE 2007

|         |      |              |                                |                 |               |                    |           |            |              |                 |                 |                 | Accumulated Deprecia | Sepreciation |            |                 |                |
|---------|------|--------------|--------------------------------|-----------------|---------------|--------------------|-----------|------------|--------------|-----------------|-----------------|-----------------|----------------------|--------------|------------|-----------------|----------------|
| Service | Dept | Sub-Function | n Department Description       | Opening Balance | Additions     | Under Construction | Transfers | Write-offs | Disposals    | Closing Balance | Opening Balance | Additions       | Transfers            | Write-offs   | Disposals  | Closing Balance | Carrying Value |
|         |      |              | RATES & GENERAL SERVICE        |                 |               |                    |           |            |              |                 |                 |                 | -                    |              |            |                 |                |
| -       | ~    |              | CEMETERY                       | 639,586.40      | 0.0           | 000                | 000       | 0.00       | 0.0          | 639,586.40      | (233,672.16)    | (137,201.50)    | 00:0                 | 0.00         | 0.0        | (370,873.55)    | 268,712.74     |
| -       | 6    | 55           | LIBRARY                        | 780,181.24      | 87,219.06     | 00.0               | 0.0       | 0.00       | 000          | 867,400.30      | (606,199.92)    | p6.552.18)      | 900                  | D0.00        | 00.00      | (642,752.10)    | 224,648 20     |
| -       | 4    | ē            | FIRE BRICADE                   | 2,284,365.30    | 2,322,882.52  | 000                | 8.0       | 0.00       | 000          | 4,607,247.82    | (568,927.09)    | (94,793.34)     | 800                  | 000          | 0.00       | (603,720,43)    | 4,003,527.39   |
| -       | 'n   | 5            | PUBLIC BUILDINGS               | 49,002,981.02   | 5,523,448.53  | 682,038.12         | 8.6       | 8.0        | 8,           | 55,208,527,67   | (8,634,116,68)  | (1,844,518.32)  | 8                    | 0.00         | 0.00       | (10,278.637.00) | 44,929,890,67  |
| -       | ۰    | 1101         | PROCLAIMED ROADS               | 7,943,096.14    | 0.0           | 00.0               | 98:0      | 87.0       | 800          | 7,943,096.14    | (3,213,136.49)  | (645,759.20)    | 00:0                 | 80.0         | 00.00      | (3,858,895,69)  | 4,084,200.45   |
| -       | 7    | 401          | неалти                         | 1,029,110,68    | 57.586,866    | 00'0               | 90.0      | 00 0       | 00.0         | 2,029,110.41    | (336,421.14)    | (17,269.01)     | 8.0                  | 0.00         | 0.0        | (353,690.15)    | 1,675,420,26   |
|         | 60   | 59           | ראוס                           | 2,305,456.99    | 0.0           | 0.00               | 0.0       | 8.6        | 8.6          | 2,305,456.99    | 00'0            | 00.0            | 900                  | 0.0          | 8.0        | 00:00           | 2,305,456,99   |
| -       | ¢1   | ă            | THEMBALETHU HALL               | 74,118,00       | 00.00         | 800                | 0.00      | 80         | 000          | 74,118.00       | (5,662.52)      | (0,354 20)      | 000                  | 00'0         | 00:0       | (9,016.72)      | 65,101.28      |
| -       | 2    | 504          | MACHINERY, EQUIPMENT AND TOOLS | 19,578,615.02   | 4,684,970.89  | 0.00               | 0.0       | 0.00       | (877,112.26) | 23,386,473.65   | (11,730,690.88) | (2.329,202.43)  | 0.00                 | 80           | 858,634,11 | (13,201,259.20) | 10,185,214,45  |
| -       | 6    | 501          | MACHINERY, EQUIPMENT (LEASES)  | 123,060.41      | 575,586.00    | 00:00              | 9.0       | 00         | 8.0          | 698,646.41      | (64,465.70)     | (126,170.45)    | 00.0                 | 0.00         | 8.0        | (190,636.15)    | 508,010.26     |
| -       | Į.   | ŝ            | BRANCH LIBRARIES               | 1,548,124.01    | 00'0          | 00.00              | 000       | 0.00       | 000          | 1,548,124,01    | (555.792.60)    | (59,501 67)     | 80.0                 | 80.0         | 0.00       | (615,294.27)    | 932,829.74     |
| -       | 12   | B01          | RECREATIONAL FACILITES/SPORT   | 20,948,423,39   | 5,749,418,88  | 00'0               | - 80      | 8          | 86.0         | 26,697,942.27   | (71.128,852.17) | (769,611.97)    | 800                  | 8.0          | 8.0        | (4,748,263,14)  | 21,949,579,13  |
| -       | 5    | - G          | PARKS AND GARDENS              | 3,132,014,54    | 1,097,855.02  | 000                | 0.00      | 000        | 00'0         | 4,229,869.56    | (76,929,925,37) | (147,758.49)    | 000                  | 00:00        | 0.00       | (547,693,86)    | 3,682,175.70   |
| -       | 7    | 1401         | VEHICLE REGISTRATION           | 890,141.75      | 136,174,08    | 00:00              | 0.0       | 0.0        | 800          | 1,026,315.83    | (599.14)        | (8,011.78)      | 90.0                 | 800          | 00,0       | (8,610.92)      | 1,017,704.91   |
| -       | 191  | ğ            | TOWN PLANNING                  | 1,534,943.92    | 9,209,371,88  | 00'0               | 8.0       | 80.0       | 000          | 10,744,315.80   | (1,427,400.38)  | (74,444,39)     | 0.0                  | 900          | 00,0       | (1,501,844,77)  | 9,242,471.03   |
| -       | 4    | ę,           | TOWN ENGINEER; ADMINISTRATION  | \$18,258.19     | 0.0           | 000                | 00'0      | 8          | 00.0         | 518,258,19      | (146,369.45)    | (2,241.73)      | 0.00                 | 00:00        | 800        | (148,611.18)    | 369,647.01     |
| -       | ē.   | ě            | TOWN TREASURER; ADMINISTRATION | 1,077,312.15    | 174,221.00    | 1,515,102.06       | 000       | 000        | 000          | 2,766,635.21    | (829,408.43)    | (12,755.94)     | 00'0                 | 00:00        | 800        | (842,154,37)    | 1,924,470.84   |
| -       | ä    | 1001         | STREETS AND STORM WATER        | 136,792,633.45  | 36,010,171,51 | 43,032,171.34      | 90.0      | 8.         | 00.0         | 215,834,976,30  | (42,941,356.95) | (8,520,955.14)  | 0.00                 | 00.0         | 80         | (51,462,312,09) | 164,372,664.21 |
| -       | g    | 501          | PROPERTIES (LEASES)            | 2,745,671.95    | 0.00          | 9:0                | 000       | 8.         | 000          | 2,745,671,95    | (84,578.98)     | (5,766.65)      | 00'0                 | 00.00        | 80         | (90,345,63)     | 2,655,376.32   |
| -       | 25   | 701          | LAW ENFORCEMENT                | 4,894,359.68    | 1,596,022.67  | 0.00               | 800       | 80.0       | (31,804.80)  | 6,458,577.55    | (1,174,392.12)  | (349,608.76)    | 900                  | 800          | 31,804.80  | (1,492,196.08)  | 4,966,381.47   |
| -       | 22   | 201          | MECHANICAL WORKSHOP            | 239,490.06      | 8.0           | 90:0               | 8.0       | 80         | 0.0          | 239,490,06      | (147,428.78)    | (6,963.59)      | 00'0                 | 00.00        | 00:0       | (154,412.37)    | 85,077.69      |
| -       | 82   | 50.          | WORKSHOP: FITTER AND TURNER    | 149,305,63      | 00'0          | 000                | 8         | 80.0       | 00.0         | 149,305.63      | (148,646,46)    | (60.01)         | 90.0                 | 00'0         | 000        | (148,706.47)    | 91.885         |
| -       | 8    | 201          | DIRECTOR ADMINISTRATION        | 334,982.71      | 00.0          | 000                | 0.0       | 000        | 80.0         | 334,962,71      | (796,787.81)    | (10,683.69)     | 0.0                  | 00'0         | 00.0       | (308,971.50)    | 26,011.21      |
| -       | R    | 201          | PERSONNEL SERVICES             | 29,138.00       | 00.0          | 8.0                | 0.00      | 00.0       | 0.00         | 29.198.00       | (12,524,81)     | (4,171.09)      | 00'0                 | 0.0          | 8.0        | (16,695.90)     | 12,502,10      |
|         | 5    | 204          | PUBLIC RELATIONS               | 88,739.02       | 08'0          | 80'0               | 0.0       | 0.0        | 80.0         | 86,739.02       | (40,859.04)     | (9,434.36)      | 0.00                 | 8.0          | 0.0        | (50,283.40)     | 38,445.62      |
| -       | 25   | 40           | PERSONAL HEALTH : CLINICS      | 1,764,641,48    | 0.0           | 80                 | 000       | 0.00       | 00.0         | 1,764,641.48    | (581,803.19)    | (75,675.74)     | 00'0                 | 00:0         | 8.0        | (667,478,93)    | 1,097,162,55   |
| -       | a    | 1101         | VEHICLE TESTING GROUND         | 546,749,40      | 00'0          | 00'0               | 9.0       | 0.0        | 000          | 546,749.40      | (177,596.83)    | (27.510.57)     | 0.00                 | 00'0         | 0.00       | (205,107,40)    | 341,642.00     |
| -       | ×    | 20           | COMPUTER NETWORK               | 739,171.82      | 00'0          | 0.00               | 80        | 0.0        | 00.00        | 739,171.82      | (633,538.04)    | (22.687.13)     | 000                  | 00:0         | 00:00      | (656,225.17)    | 82,946,65      |
| -       | Ħ    | 8            | SWITCHBOARD                    | 30,316,35       | 0.00          | 00:00              | 000       | 00'0       | 00'0         | 107,316.05      | (75,811,90)     | (15,773.46)     | 80.0                 | 00:00        | 000        | (97,585,36)     | 15,730.69      |
| -       | 37   | 804          | BEACH AREAS                    | 1,295,516.02    | 34,100.00     | 00.0               | 8         | 000        | 00'0         | 1,329,616,02    | (114,641.04)    | (43,383,98)     | 8.0                  | 000          | 0.00       | (158.035.02)    | 1,171,561.00   |
| -       | 8    | 108          | CAMPING SITES                  | 274,515,07      | 0.00          | 00.0               | 0.00      | 00.00      | 00:00        | 274.515.07      | (69,587.46)     | (9.523.20)      | 00.0                 | 000          | 000        | (79,110.66)     | 195,404.41     |
| -       | 28   | 50           | HAWKER CONTROL                 | 529,583.42      | 00:0          | 00:0               | 0.00      | 00:0       | 00'0         | 229,583.42      | (5,894.30)      | (3,967.92)      | 00:00                | 00:00        | 0.00       | (5,862.72)      | 519,720.70     |
|         |      |              |                                | 263,941,662.91  | 68.201.441.77 | 45.229.371.52      | 000       | 00'0       | (908.917.06) | 376,463,559,14  | (79,248,389,33) | (15,155,351.89) | 00'0                 | 00.0         | 890,438.91 | (93,513,302,31) | 282,950,256.83 |
|         |      |              |                                |                 |               |                    |           |            |              |                 |                 |                 |                      |              |            |                 |                |

## APPENDIX C (1)

## GEORGE LOCAL MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT BY SERVICE

30 JUNE 2007

|         |           |              |                            |                 |                |                    |           |             |              |                 |                  |                 | Accumulated Depreciation | Depreciation |            |                  |                |
|---------|-----------|--------------|----------------------------|-----------------|----------------|--------------------|-----------|-------------|--------------|-----------------|------------------|-----------------|--------------------------|--------------|------------|------------------|----------------|
| Service | )<br>Pept | Sub-Function | Department Description     | Opening Balance | Additions      | Under Construction | Transfers | Write-offs  | Disposals    | Closing Balance | Opening Balance  | Additions       | Transfers                | Write-offs   | Disposals  | Closing Balance  | Carrying Value |
|         |           | 1301         | ELECTRICITY SERVICE        |                 | ٧              |                    |           |             |              |                 |                  |                 |                          |              |            |                  |                |
| 2       | _         | 130          | ELECTRICITY - DISTRIBUTION | 145,346,381.90  | 21,580,465.29  | 131,250.00         | 800       | 900         | 00'0         | 167,058,097.19  | (52,328,030.11)  | (6,380,777,08)  | 000                      | 83           | 86         | (58,708,807,19)  | 108,349,290,00 |
|         |           |              |                            | 145,146,381.90  | 21,580,465,29  | 131,250.00         | 0.0       | 0.00        | 0.00         | 167,058,097.19  | (62,328,030.11)  | (6,380,777.08)  | 0.00                     | 0.00         | 00:0       | (58,708,807.19)  | 108,349,290,00 |
|         |           | 1201         | WATER SERVICE              |                 |                |                    |           |             |              |                 |                  |                 |                          |              |            |                  |                |
| ы       | -         | 1201         | WATER - NETWORKS           | 56,253,976,63   | 26,241,462,31  | 80                 | 000       | 000         | 900          | 82,495,439,94   | (13,101,492.73)  | (2,355,401.06)  | 80                       | 88           | 90.0       | (15,456,893,79)  | 67,008,545.15  |
|         |           | 1501         | WATER-PURIFICATION         | 51,76710.42     | 10,424,864.02  | 6,414,185,65       | 870       | 86          | 000          | 68,565,760,09   | (22,629,334,93)  | (1,810,647,10)  | 000                      | 000          | 86         | (24,439,982,03)  | 44,125,778.06  |
|         |           |              |                            | 107,980,687.05  | 36,666,326,33  | 6,414,185,65       | 00'0      | 0.00        | 00'0         | 151,061,199,03  | (35,730,827.66)  | (4,166,048,16)  | 00.0                     | 000          | 00'0       | (39,896,875.82)  | 111,164,323,21 |
|         |           | 1001         | SEWERAGE SERVICE           |                 |                | - 12.1             |           |             |              |                 |                  |                 |                          |              |            |                  |                |
| 4       | -         | <u>8</u>     | SEWERAGE NETWORKS          | 59,641,021.18   | 13,511,164,43  | 448,917,92         | 00'0      | 80          | 000          | 73,601,103,53   | (21,864,624.61)  | (2,197,976,13)  | 86                       | 880          | 88         | (24,082,600.74)  | 49,518,502,79  |
| 4       | 2         | 1001         | SEWERAGE TREATMENT WORKS   | 33,324,297.28   | 1,151,350,64   | 6,619,622.96       | 86        | 000         | 00'0         | 41,295,270.88   | (13,478,101.70)  | (57,285,786,1)  | 86                       | 000          | 000        | (14,880,887,42)  | 26,414,383,46  |
|         |           |              |                            | 92,965,318,46   | 14,662,515,07  | 7,268,540,88       | 00'0      | 000         | 000          | 114,896,374.41  | (35,362,726.31)  | (3,600,761,85)  | 0.00                     | 00'0         | 00'0       | (38,963,488.16)  | 76,922,886,26  |
|         |           | \$           | HOUSING, SERVICE           |                 |                |                    |           |             |              |                 |                  |                 |                          |              |            |                  |                |
| vo.     | -         | 5            | HOUSING - ADMINISTRATION   | 14,365,749.71   | 3,550,009,78   | 489,079,65         | 000       | 88          | 8            | 18,403,839,14   | (1,060,508.69)   | (1,002,365,75)  | 0.00                     | 0,00         | 88         | (2,062,875,43)   | 16,340,963,71  |
| 8       | 2         | <b>§</b>     | RENTAL SCHEMES             | 279,158.80      | 0.00           | 00:0               | 90'0      | 87          | 000          | 279,158.80      | (223,479.85)     | (9,305.20)      | 000                      | 88           | 860        | (232,785.05)     | 46,373,75      |
| 5       | 7         | 5            | UNSOLD UNITS               | 2,499,664.45    | 000            | 000                | 000       | (17,154,84) | 80           | 2,482,509.61    | 00'0             | 000             | 000                      | 000          | 800        | 000              | 2,462,509.61   |
|         |           |              |                            | 17,144,572.96   | 3,550,009,78   | 488,079,65         | 00'0      | (17,154,84) | 0.00         | 21,165,507,65   | (1,283,988.53)   | (1,011,671,95)  | 0,00                     | 000          | 00'0       | (2,235,660.48)   | 10,729,869,81  |
|         |           | 100          | REFUSE SERVICE             | -               |                |                    |           |             |              |                 |                  |                 |                          |              |            |                  |                |
| 7       | -         | 1001         | REPUSE                     | 9,829,326.89    | 00.0           | 00'0               | 000       | 000         | (35,213,69)  | 9,794,113,20    | (963,273,50)     | (390,403.35)    | 000                      | 000          | 35,213.69  | (1,338,463,16)   | 8,455,650,04   |
|         |           |              |                            | 9,829,326,89    | 00.0           | 00'0               | 90        | 000         | (35,213,69)  | 9,794,113,20    | (983,273,50)     | (380,403,35)    | 00.00                    | 00.0         | 35,213,69  | (1,338,463,16)   | 8,455,650,04   |
|         |           |              |                            |                 |                |                    |           |             |              |                 |                  |                 |                          |              |            |                  |                |
|         |           |              |                            | 637,207,950.17  | 144,660,758.24 | 59,531,427.70      | 000       | (17,154.84) | (344,130.75) | 840,438,850,52  | (204,937,235,44) | (30,705,014,28) | 90.0                     | 90'0         | 925,652,60 | (224,716.597.12) | 605,722,263,40 |

APPENDIX D

GEORGE LOCAL MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL

PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

| 2006<br>Actual<br>Income<br>R | 2006<br>Actual<br>Expenditure<br>R | 2006<br>Surplus/<br>(Deficit)<br>R |                               | 2007<br>Actual<br>Income<br>R | 2007<br>Actual<br>Expenditure<br>R | 2007<br>Surplus/<br>(Deficit)<br>R |
|-------------------------------|------------------------------------|------------------------------------|-------------------------------|-------------------------------|------------------------------------|------------------------------------|
| 81,851                        | 17,484,778                         | (17,402,926)                       | Executive & Council           | 401,497                       | 22,717,179                         | (22,315,68                         |
| 156,479,637                   | 116,008,329                        | 40,471,308                         | Finance and Admin             | 172,269,357                   | 135,991,260                        | 36,278,09                          |
| 11,457,117                    | 19,636,243                         | (8,179,125)                        | Planning & Development        | 11,601,705                    | 25,648,164                         | (14,046,45                         |
| 11,940,926                    | 16,221,944                         | (4,281,018)                        | Health Clinics                | 8,305,390                     | 13,959,621                         | (5,654,23                          |
| 942,465                       | 9,528,095                          | (8,585,630)                        | Community and Social Services | 2,465,988                     | 11,689,140                         | (9,223,15                          |
| 12,631,534                    | 13,388,144                         | (756,610)                          | Housing                       | 25,700,619                    | 35,455,903                         | (9,755,28                          |
| 9,458,063                     | 21,632,687                         | (12,174,623)                       | Public Safety                 | 6,274,020                     | 25,263,407                         | (18,989,38                         |
| 1,481,036                     | 9,962,589                          | (8,481,553)                        | Sport & Recreation            | 701,334                       | 12,761,454                         | (12,060,12                         |
| 0                             | 0                                  | 0                                  | Environmental Protection      | 963                           | 724,566                            | (723,60                            |
| 72,303,232                    | 88,425,790                         | (16,122,558)                       | Waste Management              | 109,300,107                   | 103,396,313                        | 5,903,79                           |
| 8,687,851                     | 5,626,991                          | 3,060,860                          | Road Transport                | 8,437,464                     | 7,537,830                          | 899,63                             |
| 68,610,837                    | 52,688,169                         | 15,922,668                         | Water                         | 79,797,589                    | 51,697,788                         | 28,099,80                          |
| 166,329,388                   | 130,438,115                        | 35,891,273                         | Electricity Distribution      | 174,927,693                   | 138,012,871                        | 36,914,82                          |
| 1,152,438                     | 1,786,205                          | (633,767)                          | Forestry                      | 535,044                       | 964,689                            | (429,64                            |
| R 521,556,377                 | R 502,828,078                      | R 18,728,299                       | Sub Total                     | R 600,718,769                 | R 585,820,185                      | R 14,898,58                        |
| R 0                           | (R 69,420,834)                     | R 69,420,835                       | Less: Amounts charged out     | R 0                           | (R 76,309,017)                     | R 76,309,01                        |
| R 521,556,377                 | 433,407,244                        | R 88,149,133                       | Total                         | R 600,718,769                 | 509,511,168                        | R 91,207,60                        |
|                               | -                                  | 0                                  | Add: Share of Associate       |                               | -                                  |                                    |
|                               |                                    | R 88,149,133                       |                               |                               |                                    | R 91,207,60                        |

g/magda/stale/2006/state 2006

## APPENDIX D(1)

## GEORGE LOCAL MUNICIPALITY

## ANALYSIS OF OPERATING INCOME AND EXPENDITURE

## FOR THE YEAR ENDED 30 JUNE 2007

| Actual<br>2005/2006 | Budget<br>2005/2006 |                                                            | Actual<br>2006/2007 | Amended<br>Budget<br>2006/2007 |
|---------------------|---------------------|------------------------------------------------------------|---------------------|--------------------------------|
|                     |                     | INCOME                                                     |                     |                                |
| 62,749,851          | 38,306,132          | Government and Provincial Grants / Subsidies               | 103,965,184         | 63,423,822                     |
| 458,806,527         | 404,100,229         | Income from tariffs, service charges, etc.                 | 496,753,585         | 466,409,160                    |
| R 521,556,378       | R 442,406,361       |                                                            | R 600,718,769       | R 529,832,982                  |
|                     |                     | EXPENDITURE                                                |                     |                                |
| 114,106,830         | 125,769,223         | Salaries and allowances                                    | 142,638,069         | 150,683,845                    |
| * 325,162,132       | 299,238,109         | General expenses                                           | * 371,463,677       | 372,383,498                    |
| 50,394,106          | 51,319,156          | Repairs and maintenance                                    | 55,062,238          | 57,649,100                     |
| 8,903,161           | 18,608,000          | Capital charges                                            | 14,398,011          | 21,881,087                     |
| 3,241,849           | 3,046,892           | Contributions to capital outlay                            | 2,258,190           | 2,706,900                      |
| 1,020,000           | 13,569,276          | Contributions to funds and reserves                        | 0                   | 1,053,834                      |
| R 502,828,078       | R 511,550,656       | Gross Expenditure                                          | R 585,820,185       | R 606,358,264                  |
|                     | •                   |                                                            |                     |                                |
| (69,420,835)        | (72,831,004)        | Add: Amounts charged out                                   | (76,309,017)        | (76,701,580)                   |
| R 433,407,243       | R 438,719,652       | Nett Expenditure                                           | R 509,511,168       | R 529,656,684                  |
| R 88,149,135        | R 3,686,709         | Surplus (Deficit)                                          | R 91,207,601        | R 176,298                      |
| * R 70,429,849      | R 70,000,000        | Bulk purchase of electricity included in general expenses. | R 80,813,538        | R 78,520,000                   |
| * R 25,523,887      | R 23,360,500        | Depreciation is included in general expenses.              | R 31,185,558        | R 37,589,071                   |

## APPENDIX D (2) GEORGE LOCAL MUNICIPALITY : DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

| 2005/06<br>Actual<br>Income              | 2005/05<br>Actual<br>Expenditure  | 2005/06<br>Surplus/<br>(Deficit)          |                                                                                                                              | 2006/07<br>Actual<br>Incomé        | 2006/07<br>Actual<br>Expenditure    | 2006107<br>Surplus!<br>{Deficit}        | 2006/07<br>Budget<br>Surplus/<br>(Deficit) |
|------------------------------------------|-----------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|-----------------------------------------|--------------------------------------------|
| (204,930,567)                            | 196,778,307                       | (8,152,261)                               | RATES AND GENERAL SERVICE                                                                                                    | (246,408,636)                      | 250,263,666                         | 3,855,030                               | 45,916,028                                 |
| (194,842,601)                            | 176,017,043                       | (18,625,558)                              | Community Services                                                                                                           | (234,967,378)                      | 222,339,667                         | (12,627,711)                            | 26,832,650                                 |
| (96,911,332)<br>(162,049)                | 28.347,490<br>2,709,146           | (68,563,842)<br>2,547,097                 | Assessment Retes<br>Administration                                                                                           | (110.214,994)<br>(17.742)          | 30,334,293<br>8,667,172             | (79.880.701)<br>8,649,430               | (75,563,000)<br>9,471,714                  |
| (48,627)<br>(5,884)                      | 4,173<br>419,281<br>842,022       | 4,173<br>370,653<br>836,138               | Policy IDP / GOP Client Services                                                                                             | (10,307)                           | 1,417<br>703,734<br>712,714         | 1,417<br>703,734<br>702,407             | 64,000<br>1,041,732<br>1,286,263           |
| (2,199,000)                              | 484,773<br>2,655,797              | 484,773<br>456,797                        | Legal Services Proclaimed Roads                                                                                              | (753,000)                          | 635,197<br>3,627,465                | 635,197<br>2,874,465                    | 705,143<br>29,999                          |
| 0                                        | 590,447<br>0                      | 590,447<br>0                              | Commonage and Sidings Health Services:                                                                                       | 0<br>(963)                         | 672,487<br>0<br>724.566             | 672,467<br>0<br>723,603                 | 659,568<br>0<br>716,421                    |
| (5,078)<br>(339,939)<br>(356,246)        | 411,961<br>339,939<br>356,246     | 406,883<br>0                              | Environmental Health Personal Health: Blanco Personal Health: Rosemoor                                                       | (522,481)<br>(346,680)             | 522,481<br>346,680                  | (25,803                                 | 0 0                                        |
| (334,368)                                | 334,368                           | 0                                         | Personal Health: Conville<br>Personal Health: Lawaaikamp                                                                     | (490,009)                          | 490,009                             |                                         | 0                                          |
| (200,767)<br>(549,110)                   | 200,767<br>549,110                |                                           | Personal Health: Parkdene Personal Health: Thembalethy Personal Health: Pacahisdoro                                          | (63,685)<br>(1,007,858)            | 63,685<br>1,007,658                 | 0                                       | 0                                          |
| (700,581)<br>(639,019)                   | 700,581<br>639,019                | 0                                         | Personal Health: Centre Pacattsdorp Community Health Centre                                                                  | (934,423)<br>(1,125,968)           | 934,423<br>1,125,968                |                                         | (45,431)                                   |
| (4,355,312)<br>(4,120,490)               | 4,355,312<br>6,558,243<br>821,431 | 2,435,753<br>481,414                      | Conville Community Health Centre Health Services: Admin HIV Projects                                                         | (3.268,639)<br>(527,125)<br>(990)  | 3,268,639<br>3,146,360<br>698,957   | 2,819,235<br>697,967                    | 3,587,564<br>645,569                       |
| (340,016)<br>0<br>(57,967)               | 956,968<br>6,857,789              | 956,968<br>6,799,622                      | Social Services Parks and Gardens                                                                                            | (17,532)<br>(2,593)                | 2,193,261<br>7,327,481              | 2,175,729<br>7,324,888                  | 2,992,147<br>7,436,375                     |
| (374,166)<br>(3,249,180)                 | 6,213,252<br>30,706,569           | 5,839,066<br>27,457,389                   | Human Resource Management<br>Public Works; Storm water & Streets                                                             | (607,049)<br>(35,415,875)          | 4,858,335<br>49,762,983             | 4,251,288<br>14,347,108                 | 85,832<br>40,684,169                       |
| (653,509)                                | 6,315,998                         | 5,562,489                                 | Internal Audit Town Treasurer: Administration                                                                                | (2.108.076)                        | 4,134,925<br>6,035,726              | 2,026,849                               | 540,000<br>4,608,938<br>7,154,232          |
| (13,204)                                 | 1,802,253<br>111,428<br>0         | 1,769,049<br>111,428<br>0                 | Financial Operations Income<br>Financial Operations Valuation<br>Supply Chain Menagement                                     | (104,409)<br>0<br>0                | 405,362<br>302,989                  | 5,931,317<br>405,362<br>302,989         | 712,550<br>1,103,566                       |
| 0 0                                      | 425,528<br>0                      | 425,528<br>0                              | Financial Management Expenditure<br>Treasury : Salaries                                                                      | (302,032)                          | 1,434,364                           | 1,132,332                               | 1,129,138<br>20,005                        |
| (343,203)<br>0<br>(21,905,415)           | 793,371<br>669,348<br>5,746,025   | 450,168<br>669,348<br>(16,159,391)        | Financial : Budget Office<br>Financial : Statements<br>Finance Administration                                                | (390,846)<br>0<br>(27,083,346)     | 1,191,650<br>1,169,663<br>6,381,579 | 801,004<br>1,189,863<br>(20,701,767)    | 1,509,263<br>1,287,337<br>(22,527,601)     |
| (21,905,415)<br>(22,184)<br>(27,299,953) | (1,064,890)<br>25,485,377         | (1,087,073)<br>(1,814,576)                | Town Treasurer: Stores Town Treasurer: Collections                                                                           | (19,068)<br>(25,724,434)           | (73,262)<br>25,183,572              | (92,330)<br>(540,862)                   | (99,667)<br>4.585,976                      |
| (199.143)                                | 843,835<br>959,784                | 843,835<br>760,641                        | Publicity<br>Switch Board                                                                                                    | (3,772)<br>(199,494)               | 1,281,380<br>1,441,386              | 1,277,608<br>1,241,892                  | 1,295,000<br>227,587                       |
| (11,092,200)                             | 6,602,682                         | 0<br>0<br>(4.489,519)                     | Office of the Executive Mayor Office of the Municipal Manager Planning                                                       | (9,086,612)                        | 7,212,247                           | (1,874,365)                             | 38<br>0<br>(8,327)                         |
| (276,469)                                | 833,836<br>4,646,675              | 557,367<br>4,646,675                      | Economic development<br>Dept. of Planning                                                                                    | (16,175)                           | 2,830,364<br>5,712,034              | 2,830,364<br>5,695,859                  | 3,156,026<br>5,585,476                     |
| (39,821)<br>(81,851)                     | 627,458<br>3,385,796              | 587,635<br>3,303,945                      | Town Engineer: Admin<br>Council: General Expenses<br>Councillor's                                                            | (2,498,919)<br>(401,497)           | 7,659,285<br>4,138,623              | 5,360,366<br>3,737,126                  | 4,190,218<br>7,965,991<br>20,600           |
| (1,195)                                  | 2,115,303<br>D                    | 2,114,108                                 | Computers : Network<br>Computers : Main Frame                                                                                | (9,079)                            | 1,542,292<br>813,962                | 1,533,213<br>813,962                    | (370,875)                                  |
| (7,807,500)<br>(191,455)                 | 1,808,103<br>175,007              | (5,999,397)<br>(16,447)                   | Properties<br>Hawker's Control                                                                                               | (4,800,204)<br>(175,221)           | 2.784,447<br>144,640                | (2,015,757)<br>(30,581)                 | 412,419<br>21,018                          |
| (8,368,733)<br>(12,136)                  | 15,698,246<br>1,376,932           | 6,327,512<br>1,364,796                    | Traffic Services: - Law enforcement Safety & Security                                                                        | (6,216,999)                        | 17,239,796<br>2,242,321             | 11,022,797<br>2,242,321                 | 9,113,993<br>2,379,171                     |
| (5,589)<br>(579,910)                     | (184,335)<br>792,605              | (189,923)<br>212,695                      | Workshop- Stores<br>Fleet Management                                                                                         | (499,282)                          | 4,342<br>(920,565)                  | 4,342<br>(1,419,847)                    | (56)<br>(979,831)                          |
|                                          |                                   |                                           | Community services                                                                                                           | 0                                  | ]                                   |                                         |                                            |
| (3,599,115)                              | 17,790,069                        | 14,190,955                                | Subsidised Services                                                                                                          | (3,756,794)                        | 24,013,634                          | 20,256,840                              | 22,091,194                                 |
| (329,426)<br>(150,103)<br>(28,120)       | 749,267<br>2,403,826<br>1,505,299 | 419,842<br>2,253,723<br>1,477,179         | Cemetery<br>Libreries: Caledon Street<br>Branch Libraries                                                                    | (240,504)<br>(163,414)<br>(45,221) | 913,659<br>2,594,858<br>1,742,079   | 673,355<br>2,431,444<br>1,696,858       | 610,889<br>2,381,785<br>1,946,620          |
| (1,152,438)<br>(77,194)                  | 1,786,205                         | 633,767<br>4,191,915                      | Forestry<br>Fire Brigade                                                                                                     | (535,044)<br>(57,021)              | 964,689<br>5,470,989                | 429,645<br>5,413,968                    | 544,000<br>5,108,589                       |
| (159,198)<br>(41,074)                    | 4,269,109<br>2,371,343<br>303,290 | 2,212,145<br>262,216                      | Civic Hall<br>Pacaltsdorp Hall                                                                                               | (1,896,045)<br>(26,178)            | 5,266,807<br>284,637                | 3,370,762<br>238,459                    | 4,356,359<br>273,508                       |
| (27,887)<br>(18,266)<br>(34,707)         | 440,227<br>76,729<br>256,785      | 412,340<br>58,443<br>222,078              | Convile Hall<br>Blanco Hall<br>Thembalethu Hall                                                                              | (38,931)<br>(23,102)<br>(23,097)   | 389,985<br>127,600<br>283,801       | 351,054<br>104,498<br>260,704           | 427,333<br>90,559<br>279,685               |
| (12,554)<br>(141,112)                    | 81,117<br>141,112                 | 68,563<br>0                               | Touwsranten Hall<br>Literacy Programme                                                                                       | (9,496)                            | 105,514                             | 96,018<br>D                             | 94,194<br>0                                |
| (296,376)<br>(225,491)                   | 141,665<br>267,238<br>328,477     | (154,714)<br>41,747<br>322,529            | Camping Sites: Herolds Bay<br>Herolds Bay Beach<br>Maintenance                                                               | (330,276)<br>(252,550)             | 215,495<br>178,157<br>512,837       | (114,781)<br>(74,393)<br>512,837        | (141,289)<br>(26,426)<br>449,335           |
| (3,948)<br>0<br>(901,200)                | 2,670,380                         | 1,769,180                                 | Swimming Pool Recreational Facilities/ Sport                                                                                 | (115,915)                          | 290,737<br>4,691,590                | 290,737<br>4,575,675                    | 60,000<br>5,536,053                        |
| (6,488,651)                              | 2,971,194                         | (3.517,657)                               | Economio Services                                                                                                            | (7,684,464)                        | 3,910,365                           | (3,774,099)                             | (3,007,816)                                |
| (4,715.720)<br>(1,474,431)               | 1,600,196<br>873,019              | (3,115,524)<br>(601,411)                  | Vehicle Registration<br>Oriver's Rence                                                                                       | (5,873,336)<br>(1,569,733)         | 1,999,731<br>1,205,951              | (3,873,605)<br>(363,782)                | (3,223,200)<br>(217,135)                   |
| (298,700)                                | 497,978                           | 189,278                                   | Vehicle Testing Ground                                                                                                       | (241,395)                          | 704,683                             | 463,288                                 | 432,519                                    |
| (12,631,534)                             | 13,388,144                        | 756,610                                   | Housing Services                                                                                                             | (25,700,619)                       | 35,455,903                          | 9,755,284                               | 6,379,804                                  |
| (5,493,363)                              | 1,643,058                         | (3.850,305)                               | Housing                                                                                                                      | (7,772,857)                        | 10,859,831                          | 3,086,974                               | (168)                                      |
| (7,138,171)                              | 11,745,085                        | 4,608,914                                 | Housing Administration                                                                                                       | (17,927,762)                       | 24,596,072                          | 6,668,310                               | 6,379,970                                  |
| (303,994,277)                            | 223,240,793                       | (80,753,484)                              | Trading Services                                                                                                             | (328,609,514)                      | 223,791,599                         | (104,817,915)                           | (52,472,130)                               |
| (2,874)<br>(166,326,513)                 | 9,040,141<br>115,432,236          | 9,037,266<br>(49,894,277)                 | Electricity: Administration<br>Electricity: Distribution                                                                     | (613,090)<br>(174,314,603)         | 11,751,034<br>121,140,533           | 11,137,944<br>(53,174,070)              | 11,296,699<br>(42,594,353)                 |
| (9.527,039)<br>(58,484,836)              | 15,190,616<br>21,835,263          | 5,663,577<br>(36,649,573)                 | Water: Purification Water: Distribution .                                                                                    | (13,443,174)<br>(65,031,304)       | 15,708,477<br>18,538,399            | 3,263,303<br>(46,492,905)               | 17,190,178<br>(31,210,417)                 |
| (42,233,423)<br>(598,962)                | 21,318,591<br>10,840,205          | (20,914,632)<br>10,241,244                | Sewerage: Main Knes & P/stations Water Pollution Control                                                                     | (45,864,424)<br>(1,323,111)        | 16,936,626<br>11,190,398            | (28,927,796)<br>9,867,287               | (20,257,157)<br>12,828,615                 |
| (11,904)                                 | 1,847,274                         | 1,635,370                                 | Cleansing Services:<br>Street Cleansing                                                                                      | (921)                              | 2,592,206                           | 2,551,265                               | 2,380,870                                  |
| (4.225)<br>(8.085)                       | 736,196<br>719,528                | 731,971<br>711,444                        | Public Toitelte Sewerage Removals                                                                                            | 0 0                                | 968,245<br>822,219                  | 968.245<br>822,219                      | 874,471<br>863,563                         |
| (26,796,020)                             | 20,236,090<br>5,044,651           | (5.559,930)<br>5,044,256                  | Refuse Removal<br>Refuse Site                                                                                                | (26,998,887)<br>(1,020,000)        | 18,581,595<br>4,603,867             | (8,417,292)                             | (7.370,639)<br>3,526,040                   |
| (521,556,378)                            | 433,407,243                       | (88,149,135)                              | Total                                                                                                                        | (600,718,769)                      | 509,511,168                         | (91,207,601)                            | (176,298)                                  |
|                                          |                                   | 88,149,135                                |                                                                                                                              |                                    |                                     | 91,207,601                              |                                            |
| 1                                        |                                   | (43,710,072)                              | Appropriations for this year<br>(Transfer to CRR)                                                                            |                                    |                                     | (96,365,168)                            |                                            |
|                                          |                                   | 37,985,687<br>(18,492,277)<br>(3,843,833) | Property, plant and equipment purchased (CRR)<br>Capital grants used to purchase PPE<br>Transfer to Housing Development Fund |                                    |                                     | 60,983,943<br>(46,855,095)<br>3,086,801 |                                            |
|                                          |                                   | 17,641,483                                | Implementation GAMAP/GRAP<br>Offsetting of depreciation                                                                      |                                    |                                     | 17,598,970                              |                                            |
|                                          |                                   | (1,360,686)<br>157,323,871                | Adjustments for previous years Retained Surplus / (Accumulated Deficit ) beginning of year                                   |                                    |                                     | 2,510,115                               |                                            |
|                                          |                                   | R 233,693,308                             | Accumulated surplus/ (deficit) end of the year                                                                               |                                    |                                     | 233,693,307<br>R 265,960,474            |                                            |
| g /magda/state 2006/externat20           | 06 XLS (c)                        |                                           |                                                                                                                              |                                    |                                     |                                         |                                            |

APPENDIX D (3)

# GEORGE LOCAL MUNICIPALITY: INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

|                 | 2002/2006     | 2005/2006      |                                               | 2006/2007       | 2006/2007     | 2006/2007      | 2006/2007    |
|-----------------|---------------|----------------|-----------------------------------------------|-----------------|---------------|----------------|--------------|
| , + . A         | 101140        | ,              |                                               |                 | 144.4         |                | Budget       |
| Actual          | Actual        | snidine        |                                               | Actual          | Actual        | surbins /      | snibins /    |
| Income          | Expenditure   | (Deficit)      |                                               | Income          | Expenditure   | (Deficit)      | (Deficit)    |
| ¥               | ~             | ۳              |                                               | ~               | ۵۲            | ~              | 2            |
|                 |               | . !            | RATES AND GENERAL SERVICES                    | . !             | -1            |                |              |
| (R 204,930,567) | R 196,778,307 | (R 8,152,260)  |                                               | (R 246,408,636) | R 250,263,666 | R 3,855,030    | R 45,916,028 |
| (194,842,601)   | 176,017,044   | (18,825,557)   | Community Services                            | (234,967,378)   | 222,339,667   | (12,627,711)   | 26,832,650   |
| (3,599,115)     | 17,790,069    | 14,190,955     | Subsidised Services                           | (3,756,794)     | 24,013,634    | 20,256,840     | 22,091,194   |
| (6,488,851)     | 2,971,194     | (3,517,657)    | Economic Services                             | (7,684,464)     | 3,910,365     | (3,774,099)    | (3,007,816)  |
| (12,631,534)    | 13,388,144    | 756,610        | HOUSING SERVICE                               | (25,700,619)    | 35,455,903    | 9,755,284      | 6,379,804    |
| (303,994,277)   | 223,240,792   | (80,753,485)   | TRADING SERVICES                              | (328,609,514)   | 223,791,599   | (104,817,915)  | (52,472,130) |
|                 |               |                | •                                             |                 |               |                |              |
| (R 521,556,378) | R 433,407,243 | (R 88,149,135) | TOTAL                                         | (R 600,718,769) | R 509,511,168 | (R 91,207,601) | (R 176,298)  |
|                 |               | 88,149,135     | Nett Surplus / (Deficit) for year             |                 | I             | 91,207,601     |              |
|                 |               |                | Appropriations for this year.                 |                 |               |                |              |
|                 |               | (43,710,072)   | Transfer to CRR                               |                 |               | (96,365,168)   |              |
|                 |               | 37,985,687     | Property, plant and equipment purchased (CRR) | ed (CRR)        |               | 60,983,943     | ı            |
|                 |               | (18,492,277)   | Capital grants used to purchase PPE           |                 |               | (46,855,095)   |              |
|                 |               | (3,843,833)    | Transfer to Housing Development Fund          |                 |               | 3,086,801      |              |
|                 |               | 0              | Implementation GAMAP/GRAP                     |                 |               |                |              |
|                 |               | 17,641,483     | Offsetting of depreciation                    |                 |               | 17,698,970     |              |
|                 |               | (1,360,686)    | Adjustments iro previous years                |                 |               | 2,510,115      |              |
|                 |               |                | Retained Surplus/(Accumulated Deficit)        |                 |               |                |              |
|                 | I             | 157,323,871    | beginning of year                             |                 |               | 233,693,307    |              |
|                 |               |                | RETAINED SURPLUS / (ACCUMULATED               | ĒD              |               |                |              |
|                 |               | R 233,693,308  | DEFICIT) END OF YEAR                          |                 | I             | R 265,960,474  |              |
|                 |               |                |                                               |                 |               |                |              |

<u>APPENDIX DIA)</u> GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOMEJEXPENDITURE FOR THE YFAR ENDED 30 JUNE 2007

## (47,336) (645,759) (15,386) (75,393) (9,434) (15,773) (10,683) 4,203,139 (1,471,854) (279,357) (2,241) 8,301,971 (249,581 (9,282,974 APPROPRIATIONS NETT (SURPLUS)/DEFICIT 238,458 238,458 3,370,761 104,496 351,053 2,874,464 260,703 96,016 (540,862) (74,393) (114,780) 512,836 (92,331) 672,465 290,735 4,575,674 723,602 7,324,886 4,251,285 3,737,125 (1) 1,533,213 813,961 1,277,609 (2) 5,360,363 5,931,315 405,361 2,026,847 1,132,330 302,987 801,003 8,649,429 1,416 703,732 702,405 635,195 429,645 673,355 1,241,892 (79,880,701 (2,593) (607,048) (401,497) (390,846) (535,043) (57,020) (26,177) (1,896,045) (23,102) (38,930) (753,000) (23,096) (9,496) (25,724,433) (252,549) (330,275) (9,086,611) (2,498,919) (17,742) (19,068) (962) (9,078) (3,771) (104,409) (302,032) (10,307) (240,503) (115,914) (2,108,076) (110,214,994) INCOME 703,732 712,712 635,195 5,470,987 264,635 5,266,806 127,598 389,983 3,627,464 283,799 105,512 25,183,571 178,156 215,495 512,836 (73,263) 290,735 7,327,479 4,858,333 4,138,622 7,212,245 6,035,724 405,361 4,134,923 1,434,362 302,987 1,191,849 913,858 724,564 1,542,291 1,281,380 1,441,385 NETT EXPENDITURE 1,416 30,334,293 (1,176,700) (814,948) (310,300) (57,992) (1,345,771) (8,432,887) (7,390,625) (9,067,979) (781,300) (1,409,600) (687,884) (868,568) (1,330,500) (6,420,000) (3.090.045)(1,432,067) ADMINISTRATION RECOVERABLES 703,732 712,712 635,195 964,688 5,781,287 264,635 5,266,806 127,598 389,983 178,156 273,487 548,838 1,272,508 672,465 290,735 4,691,588 724,564 7,327,479 115,291,220 115,223,231 2,223,561 1,281,380 687,882 2,309,953 7,212,46 9,189,782 1,432,066 6,033,724 4,05,361 1,434,362 302,987 814,948 1,191,849 1,189,862 913,858 3,627,464 283,799 105,512 25,183,571 10,554,923 9,843,871 30,334,293 GROSS EXPENDITURE CONTRIBUTION TO FUNDS AND RESERVES CONTRIBUTION TO CAPITAL OUTLAY 34,274 1,372 858 17,233 8,732 34,353 13,874 33,301 19,477 7,263 953 2,743 267 30,220 24,867 29,295 131,947 108,177 10,641 7,844 16,649 7,281 47,200 18,958 8 37,533 177,747 49,089 23,335 2,083 3,811 39,125 137,260 2,391,673 987,497 154,090 115,250 27,157 CAPITAL 0 15,202 129,357 84,505 27,492 77,667 97,999 20,175 100,041 23,312 416,415 2,946 30,864 835,055 47,591 2,442 79,545 2,785 534,603 7,818 (48,321) 851,276 5,050 22,774 243,076 12,646 1,168,109 1,379 16,480 1,505 MAINTENANCE 206,045 126,004 103,535 345,228 4,199,599 6,870,382 8,447,326 648,125 2,165,889 674,844 1,276,330 338,755 1,956,926 2,338,494 4,384,256 3,090,045 157,777 255,031 272,223 30,334,293 944,513 1,678,756 81,960 1,050,279 110,523 2,792,409 67,179 13,048 97,282 83,928 491,687 99,871 277,822 28,176 8,846,373 56,650 13,510 70,094 653,687 126,995 4,927,900 1,940,039 GENERAL EXPENSES 24,165,437 4,638,621 496,829 569,475 522,928 3,818,030 140,405 1,374,086 94,582 215,295 0 0 149,552 82,759 1,017,181 464,811 763,536 440,494 565,723 372,740 2,439,187 6,310,313 3,057,054 8,390,558 46,919 697,441 295,114 268,433 4,668,512 4,678,770 1,164,607 37,185 377,185 1,559,885 1,371,934 250,352 737,010 737,010 521,513 543,636 SALARIES ALLOWANCES RECREATIONAL FACILITIES/SPORT RATES AND GENERAL SERVICE: 01 DEFICE OF THE MUN. MANAGER TREASURY EXPENDITURE SUPPLY CANN MANAGEMENT FINANCIAL REMUNERATION FINANCIAL BUDGET OFFICE FINANCIAL STATEMENTS CAMPING SITES: HEROLDSBAY COUNCIL. GENERAL EXPENSES OFFICE OF THE EXEC. MAYOR COMMONAGE AND SIDINGS FINANCIAL: INCOME FINANCIAL: VALUATIONS TREASURY VIRONMENTAL HEALTH PACALTSDORP HALL CIVIC CENTRE BLANCO HALL CONVILLE HALL LITERACY PROGRAMME COMPUTER: MAINFRAME TOWN ENGINEER: ADMIN COMPUTES: NETWERK HEROLDSBAY: BEACH PROCLAIMED ROADS TOUWSRANTEN HALL THEMBALETHU HALL UMAN RESOURCE CLIENT SERVICES ADMINISTRATION LEGAL SERVICES SWIMMING POOL NTERNAL AUDIT SWITCHBOARD MAINTENANCE FIRE BRIGADE HIV PROJECTS COLLECTIONS COUNCILLORS ADVERTISING AMBULANCE CEMETERY FORESTRY POLICY RATES

APPENDIX D(4)

| SIA S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | TON THE TENN ENDED SO SOINE AND   |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--|--|
| TO THE WORK OF THE PARTY OF THE | MART OF INCOMEDEAPENDING          |  |  |
| SALIS - SELIVERISM SALISM TACKETS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GEORGE COCAL MUNICIPALITY : SUMIN |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                   |  |  |

|                                           | SALARIES    | GENERAL EXPENSES | MAINTENANCE | CAPITAL   | CONTRIBUTION TO<br>CAPITAL OUTLAY | CONTRIBUTION TO<br>FUNDS AND<br>RESERVES | GROSS<br>EXPENDITURE | ADMINISTRATION<br>RECOVERABLES | NETT EXPENDITURE | INCOME        | NETT<br>(SURPLUS)/DEFICIT | APPROPRIATIONS |
|-------------------------------------------|-------------|------------------|-------------|-----------|-----------------------------------|------------------------------------------|----------------------|--------------------------------|------------------|---------------|---------------------------|----------------|
| STREETS AND STORM WATER                   | 7,553,488   | 23,061,837       | 19,980,794  | 5,163,955 | 3,931                             | 0                                        | 55.764,005           | (6,001,023)                    | 49,762,982       | (35,415,875)  | 14,347,107                | 21,163,695     |
| HAWKER'S CONTROL                          | 53,149      |                  | 0           | 0         | 0                                 | 0                                        | 144,538              | 0                              | 144,638          | (175,220)     | (30,582)                  | (641)          |
| ECONOMIC DEVELOPMENT                      | 463,380     | -                | 201,473     | 0         | 393,381                           | 0                                        | 2,830,362            | 0                              | 2,830,362        | 0             | 2,830,362                 | 0              |
| RATES AND GENERAL SERVICE: 01 (continued) | ntinued)    |                  |             |           |                                   |                                          | 0                    |                                | 0                |               | 0                         |                |
| PROPERTIES                                | 858,952     | 1,858,673        | 31,435      | 31,127    | 4,388                             | 0                                        | 2,784,575            | 0                              | 2,784,575        | (4,800,234)   | (2,015,659)               | (873,099)      |
| DIRECTOR: PLANNING                        | 967,780     |                  | 113         | 0         | 24,466                            | 0                                        |                      | 0                              | 5,712,032        | (16,174)      | 5,695,858                 | 0              |
| COMMUNITY SERVICES                        |             |                  |             |           |                                   |                                          | 0                    |                                | 0                |               | 0                         |                |
| FINANCE ADMINISTRATION                    | 0           | 6,381,577        | o           | 0         | 0                                 | 0                                        | 6,381,577            | 0                              | 6,381,577        | (27,083,347)  | (20.701,770)              | 0              |
| APPROPRIATIONS                            |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           | (61,450,555)   |
| Service Total                             | 106,797,901 | 154,952,679      | 25,072,546  | 9,047,134 | 1,436,135                         | 0                                        | 260,306,395          | (50,654,191)                   | 209,652,204      | (223,493,879) | (13,841,675)              | (40,798,794)   |
| ELECTRICITY SERVICE: 02                   |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           |                |
| NIMOA VIDOGEO                             | 4 480 910   | 7 206 343        | CER 91      |           | 5 947                             | C                                        | 11 751 032           | 0                              | 11 751 032       | (613.089)     | 11,137,943                | 0              |
| ELECTRICITY: DIST.                        | 12,199,390  | 1                | 8,681,053   | 3,030,845 | 27                                | 0                                        |                      | (5,121,304)                    |                  | (174,314,603) | (53,174,073)              | 11,139,148     |
| Service Total                             | 16,680,300  | 109,324,697      | 8,697,885   | 3,030,845 | 279,139                           | 0                                        | 0<br>138,012,866     | (5,121,304)                    | 132,891,562      | (174,927,692) | (42,036,130)              | 11,139,148     |
| WATER SERVICE: 03                         |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           |                |
|                                           |             |                  |             | į         |                                   |                                          |                      |                                |                  |               |                           |                |
| WATER PURIFICATION                        | 3,059,944   |                  | 884,351     | 249,107   |                                   | ٥                                        |                      |                                |                  | (13,443,173)  | 3,263,302                 | 11,242,414     |
| WATER DISTRIBUTION                        | 5,729,918   | 9,790,476        | 7,675,502   | 594,796   | 10,218                            | 0                                        | 23,800,910           | (5,262,513)                    | 18,538,397       | (65,031,304)  | (46,492,907)              | 17,854,635     |
| Service Total :                           | 8,789,862   | 22,303,549       | 8,559,853   | 843,903   | 10,218                            | 0                                        | 40,507,385           | (5,262,513)                    | 35,244,872       | (78,474,477)  | (43,229,605)              | 29,097,049     |
|                                           |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           |                |
| SEWERAGE SERVICE: 04                      |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           |                |
| SEWERAGE: MAIN LINES & PISTATION          | 4,691,990   | 8,068,411        | 6,771,310   | 481,577   | 15,017                            | 0                                        | 20,028,305           | (3,091,682)                    |                  | (45,864,423)  | (2)                       | 11,570,323     |
| WATER POLLUTION CONTROL                   |             |                  | 1,060,962   | 395,321   | 49,212                            | 0                                        | 11,190,396           | 0                              | 11,190,396       | (1,323,110)   | 9,867,286                 | 68,916         |
| Service Total                             | 9,105,201   | 13,340,101       | 7,832,272   | 876,898   | 64,229                            | 0                                        | 31,218,701           | (3.091,682)                    | 28,127,019       | (47,187,533)  | (19,060,514)              | 11,639,239     |
| HOUSING SERVICE: 05                       |             |                  |             |           |                                   |                                          |                      |                                |                  |               |                           |                |
| Christian                                 | 700 769     | 97 300 0         | 4 417 093   |           |                                   |                                          | 00 000               |                                | 10.859.879       | (7.77.7)      | 3 086 972                 | (3.086.974)    |
| HOUSING ADMINISTRATION                    | 3,272,474   |                  | 254,336     | 178,87    | 73,60                             |                                          |                      |                                |                  | (17,927,761)  |                           | (1,324,070)    |
| Service Total                             | 3,819,801   | 29,811,756       | 1,671,369   | 175,97    | 73,601                            |                                          | 0 35,455,898         | 0                              | 35,455,898       | (25,700,618)  | 9,755,280                 | (4,411,044)    |
| TRAFFIC SERVICE 06                        |             |                  |             |           |                                   | -                                        |                      |                                |                  |               |                           |                |
| SAFETY AND SECURITY                       | 1,614,664   | 523,296          | 84,505      | 0         | 19,855                            |                                          | 0 2,242,320          | 0                              | 2,242,320        | 0             | 2,242,320                 | 0              |
| LAW ENFORCEMENT                           | 7,977,281   | 8                | 946,847     | 10,265    | 236,471                           |                                          |                      | 0                              | ,-               | (6,216,998)   | 11,022,796                | ٥              |
| VEHICLE REGISTRATION                      | 1,480,528   | 390,052          |             | 73,611    | 36                                |                                          |                      |                                |                  | (5.873,335)   | (3.873.607)               | (163,68        |
| DRIVER'S LICENCE                          | 906,788     |                  |             | ٥         |                                   |                                          |                      |                                |                  | (1,569,733)   | (363,782)                 | 0 6            |
| VEHICLE TESTING GROUND                    | 453,421     |                  | 5,104       | 0         |                                   |                                          | 704,680              |                                |                  | (241,395)     | 463,285                   |                |
| Service Total                             | 12,432,682  | 9,501,686        | 1,080,821   | 83,876    | 293,408                           |                                          | 0 23,392,473         | 0                              | 23,392,473       | (13,901,461)  | 9,491,012                 | (1,972,936)    |

## APPENDIX D(4)

## GEORGE LOCAL MUNICIPALITY : SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

CAPITAL CONTRIBUTION TO CONTRIBUTION TO GROSS ADMINISTRATION NETT EXPENDITURE CHARGES CAPITAL OUTLAY RESERVES EXPENDITURE

SALARIES GENERAL EXPENSES MAINTENANCE

NETT APPROPRIATIONS (SURPLUS)DEFICIT

INCOME

| CLEANSING SERVICE: 07        |             |             |            |                                         |           |   |             |              |             |                           |              |             |
|------------------------------|-------------|-------------|------------|-----------------------------------------|-----------|---|-------------|--------------|-------------|---------------------------|--------------|-------------|
| STREET CLEANSING             | 1,951,830   | 676,241     | o          | 0                                       | 0         | 0 | 2,628,071   | (75,866)     | 2,552,205   | (126)                     | 2,551,284    | 0           |
| PUBLIC TOILETS               | 553,981     | 339,227     | 74,763     | 0                                       | 273       | 0 | 968,244     | 0            | 968,244     | 0                         | 968,244      | 0           |
| NIGHT SOIL REMOVAL           | 648,382     | 173,836     | O          | 0                                       | 0         | 0 | 822,218     | ٥            | 822,218     | 0                         | 822,218      | 0           |
| REFUSE SITE                  | 272,329     | 3,372,477   | 650,856    | 0                                       | 0         | 0 | 4,603,865   | 0            | 4,603,865   | (1,020,000)               | 3,583,865    | 0           |
| REFUSE REMOVAL               | 4,934,401   | 13,347,072  | 29,699     | 260,834                                 | 985'6     | 0 | 18,581,592  | 0            | 18,581,592  | (26,998,887)              | (8,417,295)  | 1,134,442   |
| Service Total                | 8,360,923   | 17,908,853  | 1,063,521  | 260,834                                 | 658'6     | 0 | 27,603,990  | (75,866)     | 27,528,124  | (28,019,808)              | (491,684)    | 1,134,442   |
|                              |             |             |            |                                         |           |   |             |              |             |                           |              |             |
| LIBRARIES SERVICE: 08        |             |             |            |                                         |           |   |             |              |             |                           |              |             |
| LIBRARIES, CALEDON STREET    | 1,913,305   | 581,438     | 99,134     | 0                                       | 926       | 0 | 2,594,856   | 0            | 2,594,856   | (163,414)                 | 2,431,442    | (100,849)   |
| BRANCH LIBRARIES             | 1,270,486   | 376,462     | 94,627     | 0                                       | 501       | 0 | 1,742,076   | 0            | 1,742,076   | (45,220)                  | 1,696,856    | (42,169)    |
| Service Total                | 3,183,791   | . 006'256   | 193,761    | 0                                       | 1,480     | 0 | 4,336,932   | 0            | 4,336,932   | (208,634)                 | 4,128,298    | (143,018)   |
|                              |             |             |            |                                         |           |   |             |              |             |                           | -            | _           |
| COST ACCOUNTS SERVICE: 09    |             |             |            |                                         |           |   |             |              |             |                           |              |             |
| FLEET MANAGEMENT             | 1,085,252   | 8,199,489   | 869,892    | 175,142                                 | 30,977    | 0 | 10,360,752  | (11,281,320) | (920,568)   | (499,282)                 | (1,419,850)  | (5,637,587) |
| WORKSHOP-STORES              | 416,994     | 231,203     | 14,673     | 0                                       | 2,302     | 0 | 665,172     | (660,832)    | 4.340       | 0                         | 4,340        | (60)        |
| Service Total                | 1,502,246   | 8,430,692   | 884,565    | 175,142                                 | 33,279    | 0 | 11,025,924  | (11,942,152) | (916,228)   | (499,282)                 | (1,415,510)  | (5,637,647) |
|                              |             |             |            |                                         |           |   |             |              |             |                           |              |             |
| HEALTH SERVICE: 11           |             |             |            |                                         |           |   |             |              |             |                           |              |             |
| PERSONAL HEALTH: BLANCO      | 516,011     | 6,427       | 43         | 0                                       | 0         | 0 | 522,481     | 0            | 522,481     | (522,481)                 | 0            | 0           |
| PERSONAL HEALTH: ROSEMORE    | 336,930     | 008'2       | 096'1      | 0                                       | 0         | 0 | 346,680     | 0            | 346,680     | (346,680)                 | 0            | 0           |
| PACALTSDORP C.H.C            | 1,108,764   | 17,203      | 0          | 0                                       | 0         | 0 | 1,125,967   | 0            | 1,125,967   | (1,125,967)               | 0            | 0           |
| PERSONAL HEALTH: CONVILLE    |             |             |            |                                         |           |   | 0           |              | 0           |                           | 0            |             |
| HEALTH: ADMIN                | 917,281     | 2,365,793   | 442        | 0                                       | 24,142    | 0 | 3,307,658   | (161,300)    | 3,146,358   | (527,124)                 | 2,619,234    | 0           |
| SOCIAL SERVICES              | 557,977     | 1,626,842   | 0          | 0                                       | 8.440     | Ö | 2,193,259   | 0            | 2,193,259   | (17,532)                  | 2,175,727    | 0           |
| HIV PROJECTS                 | 81,054      | 616,208     | 0          | o                                       | 1,694     | 0 | 956'869     | 0            | 956,969     | (066)                     | 697,966      | 0           |
| OCCUPATIONAL HEALTH          | 0           | 0           | 0          | 0                                       | 0         | 0 | 0           | 0            | 0           | 0                         | 0            | 0           |
| PERSONAL HEALTH: CENTRE      | 816,016     | 118,172     | 169        | 0                                       | 65        | 0 | 934,422     | 0            | 934,422     | (934,422)                 | 0            | (46,439)    |
| CONVILLE C.H.C.              | 3,098,174   | 147,496     | 2,771      | 0                                       | 20,197    | 0 | 3,268,638   | 0            | 3,268,638   | (3,268,638)               | 0            | 0           |
| PERSONAL HEALTH: LAWAAIKAMP  | 482,601     | 7,408       | 0          | 0                                       | 0         | 0 | 490,009     | 0            | 490,009     | (490,009)                 | 0            | 0           |
| PERSONAL HEALTH: PARKDENE    | 55,536      | 8,118       | 30         | 0                                       | 0         | 0 | 63,684      | 0            | 63,684      | (63,684)                  | 0            | 0           |
| PERSONAL HEALTH; THEMBALETHU | 994,976     | 10,395      | 212        | 0                                       | 2,275     | 0 | 1,007,858   | 0            | 1,007.858   | (1,007,858)               | 0            | 0           |
| PERSONAL HEALTH: P/DORP      | 0           | 0           | 0          | 0                                       | 0         | ٥ | 0           | 0            | 0           | 0                         | 0            | 0           |
| Service Total                | 8,965,320   | 4,931,862   | 5,617      | 0                                       | 56,813    | 0 | 13,959,612  | (161,300)    | 13,798,312  | (8,305,385)               | 5,492,927    | (46,439)    |
|                              |             |             |            |                                         |           |   |             |              |             |                           | -            |             |
| Grand Total                  | 142,638,027 | 371,463,775 | 55.062.210 | 14,398,003                              | 2.258.161 | 0 | 585,820,176 | (76,309,008) | 509,511,168 | (600,718,769)             | (91,207,601) | 0           |
|                              |             |             | - mimanian | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |           | 1 |             |              | - Constant  | The state of the state of | 1,           |             |

## GEORGE LOCAL MUNICIPALITY: SUMMARY OF INCOMEIEXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

| BUDGET COST CENTRE                                  | SALARIES ALLOWANCES GENERAL EXPENSES | GENERAL EXPENSES | MAINTENANCE | CAPITAL CHARGES | CAPITAL CHARGES CONTR. TO CAPITAL CONTR. TO FUNDS OUTLAY AND RESERVES | CONTR. TO FUNDS<br>AND RESERVES | GROSS EXPENDITURE | ADMINISTRATION<br>EXPENDITURE | NETT EXPENDITURE | INCOME       | NETT (SURPLUS)/DEFICIT | APPROPRIATIONS NETT (SURPLUS) DEFICIT AFTER BTL | US/DEFICIT AFTER BTL |
|-----------------------------------------------------|--------------------------------------|------------------|-------------|-----------------|-----------------------------------------------------------------------|---------------------------------|-------------------|-------------------------------|------------------|--------------|------------------------|-------------------------------------------------|----------------------|
| MUNICIPAL MANAGER                                   |                                      |                  |             |                 |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| OFFICE OF THE MUNICIPAL MANAGER                     | 1,164,607                            | 157,777          |             |                 |                                                                       | 0                               | 1,432,066         | (1,432,067)                   | (1)              | 0            | (ι)                    | 0                                               | (1)                  |
| BUDGET VOTE 1                                       | 1.164,607                            | 177,721          | 1,505       | 0               | 108,177                                                               | ٥                               |                   | (1,432,067)                   | 3                | 0            |                        | 0                                               | ε                    |
|                                                     |                                      |                  |             |                 |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| INTERNAL AUDIT                                      | 0                                    | 3,090,045        | 0           |                 | 0                                                                     | 0                               | 3,090,045         | (3,090,045)                   | 0                | 0            | 0                      | 0                                               | 0                    |
| BUDGET VOTE 2                                       | 0                                    | 3,090,045        | 0           | 0               | 0                                                                     | 0                               | 3,090,045         | (3,090,045)                   | 0                | O            | 0                      | 0                                               | 0                    |
| TOTAL MUNICIPAL MANAGER                             | 1,164,607                            | 3,247,822        | 1,505       | 0               | 108,177                                                               | 0                               |                   |                               | (1)              | 0            | (1)                    | 0                                               | (1)                  |
| MANAGEMENT AND ADMINISTRATION                       |                                      |                  |             |                 |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| ADMINISTRATION                                      | 4,638,621                            | 4,927,900        | 243,076     | 0               | 34.274                                                                | 0                               | 9.843.871         | (1.176 700)                   | 8.667 171        | (17 742)     | 8 649 479              | (10 683)                                        | 8 638 746            |
| POLICIES                                            | 0                                    | 4                |             |                 | 1,372                                                                 | 0                               | 1,416             | 0                             |                  | 0            |                        | 0                                               | 1,416                |
| CLIENT SERVICES                                     | 569,475                              | 126,004          | 0           |                 | 17,233                                                                | 0                               | 712,712           | 0                             | -                | (10,307)     | 70                     | 0                                               | 702,405              |
| LEGAL SERVICES                                      | 522,928                              | 103,535          |             |                 | 8,732                                                                 | 0                               | 635,195           |                               |                  | 0            |                        | 0                                               | 635,195              |
| PUBLICITY                                           | 0                                    | 1,276,330        | 5,050       | 0               | 0                                                                     | 0                               | 1,281,380         | 0                             | 1,281,380        | (1,777)      | 1,277,609              | (9,434)                                         | 1,268,175            |
| SWITCHBOARD                                         | 268,433                              | 1,956,926        | 84,505      | 0               | 68                                                                    | 0                               | 2,309,953         | (868,568)                     | 1,441,385        | (199,493)    |                        | (15,773)                                        | 1,226,119            |
| HAWKER CONTROL                                      | 53,149                               | 91,489           | 0           | 0               | 0                                                                     | 0                               | 144,638           | 0                             | 144,638          | (175,220)    |                        | (641)                                           | (31,223)             |
| dΩi                                                 | 496,829                              | 206.045          | 0           | 0               | 858                                                                   | 0                               | 703,732           | 0                             |                  | 0            |                        | 0                                               | 703,732              |
| BUDGET VOTE 3                                       | 6,549,435                            | 8,688,273        | 332,631     | 0               | 62,558                                                                | 0                               | 15,632,897        | (2,045,268)                   | _                | (406,533)    | -                      | (36,531)                                        | 13,144,565           |
|                                                     |                                      |                  |             |                 |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| MAIN LIBRARY: CALEDONSTRAAT                         | 1,913,305                            | 581,438          | 99,134      |                 | 979                                                                   | 0                               | 2,594,856         | 0                             | 2,594,856        | (163,414)    | 2,431,442              | (100,849)                                       | 2,330,593            |
| BRANCHLIBRARIES                                     | 1,270,486                            | 376,462          |             |                 | 501                                                                   | 0                               | 1,742,076         |                               |                  | (45,220)     |                        | (42,169)                                        | 1,654,687            |
| BUDGET VOTE 4                                       | 3,183,791                            | 957,900          |             | ٥               | 1,480                                                                 | 0                               | 4,336,932         | 0                             | 4,336,932        | (208,634)    | 4,128,238              | (143,018)                                       | 3,985,280            |
| uckolda udib                                        | 000 000                              | 225 450 7        | 1           | ╛               |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
|                                                     | 0,010,030                            |                  |             |                 | 4/,200                                                                | ٥                               |                   | (310,300)                     |                  | (57,020)     | u,                     | (249,581)                                       | 5,164,386            |
| SUCCE VOIE 3                                        | 3,818,030                            | 1,678,756        | 100,041     | 137,260         | 47.200                                                                | 0                               | 5,781,287         | (310,300)                     | 5,470,987        | (57,020)     | 5,413,967              | (249,581)                                       | 5,164,386            |
| PACALTSDORP HALL                                    | 140,405                              | 81.960           | 23.312      | c               | 828 81                                                                | U                               | SEA BAC           |                               | 364 635          | (771 90)     | 824 grc                | c                                               | 228 458              |
| CIVIC CENTRE                                        | 1,374,086                            | 1.050.279        | 4           | 2 391 6         | 34 353                                                                | 0                               | 5 266 806         |                               |                  | (1 896 045)  | <u> </u>               | 2 6                                             | 3 370 764            |
| BLANCO HALL                                         | 94,582                               | 16,196           | Ŀ           |                 | 13.874                                                                | 0                               | 127 598           |                               |                  | (23 102)     |                        | 0 0                                             | 104 498              |
| CONVILLE HALL                                       | 215,295                              |                  |             |                 | 33 301                                                                | C                               | 389 983           |                               |                  | (38 930)     |                        |                                                 | 351.053              |
| THEMBALETHU HALL                                    | 149,552                              |                  |             |                 | 19 477                                                                | C                               | 283 749           |                               |                  | (390,52)     |                        | (21.17                                          | 250 551              |
| TOUWSRANTEN HALL                                    | 82,759                               |                  |             |                 | 7.263                                                                 | 0                               | 105 512           |                               |                  | (9.496)      |                        | 0                                               | 96.016               |
| MAINTENANCE                                         | 464,811                              | 83,928           |             |                 | 66                                                                    | 0                               | 548.838           | (36.00                        |                  | 0            |                        | 0                                               | 512,836              |
| BUDGET VOTE 6                                       | 2,521,490                            | 1,423,113        | 523,570     | 2,391,673       | 121                                                                   | ٥                               |                   | (36,002)                      |                  | (2,016,846)  |                        | (1,152)                                         | 4,933,171            |
|                                                     |                                      |                  |             |                 |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| COMMONAGE AND SIDINGS                               | 440,494                              | 129,871          |             | 0               | 2,743                                                                 | 0                               | 672,465           |                               |                  | 0            |                        | 0                                               | 672,465              |
| BUDGET VOTE 7                                       | 440,494                              | 12,66            | 129,357     | 0               | 2,743                                                                 | 0                               |                   | 0                             | 672,465          | 0            | 672,465                | 0                                               | 672,465              |
| OOG SHIMAING                                        | •                                    | and and          |             | Ī               |                                                                       |                                 |                   |                               |                  |              |                        |                                                 |                      |
| SPORTINGENERATION                                   | 505 203                              | 1,040,020        |             |                 | 787                                                                   | 0 4                             | 290,735           |                               |                  | 0            |                        | o                                               | 290,735              |
| Prince Transfer                                     | 303,123                              | 600,046,1        | 2.1         |                 | 30,220                                                                | 0                               | 1                 |                               |                  | (115,914)    |                        | (1,471,854)                                     | 3,103,820            |
| DOUGET VOIE &                                       | 22/,036                              | 2,217,861        | 1,180,755   | 987.497         | 30,487                                                                | ٥                               | 4,982,323         | ٥                             | 4,982,323        | (115,914)    | 4,866,409              | (1,471,854)                                     | 3,394,555            |
| COUNCIL GENERAL EXPENSES                            | 3,057,054                            | 8,447,326        | 0           |                 | 24.867                                                                | 0                               | 11,529,247        | (7,390,625)                   | 4.138.622        | (401 497)    | 3 737 125              | 0                                               | 3 737 125            |
| COUNCILLORS EXPENSES                                | 8,390,558                            |                  |             | 0               | 29,295                                                                | 0                               | 9,067,978         | (9.067,979)                   |                  | 0            |                        | 0                                               | E                    |
| OFFICE OF THE EXECUTIVE MAYOR                       | 295,114                              |                  |             |                 | 37,533                                                                | 0                               |                   | (687,884)                     |                  | 0            |                        | 0                                               | (2)                  |
| BUDGET VOTE 9                                       | 11,742,726                           | 9,434,206        | 16,480      | 0               | 91,695                                                                | 0                               | 21,285,107        |                               | 4,138,6          | (401,497)    | 3,737,1                | 0                                               | 3,737,122            |
| TRAFFIC SERVICES VEHICLE TEXTING CONTEC             | 763 424                              | 245 944          |             | ,               |                                                                       |                                 | 100               |                               |                  |              |                        |                                                 |                      |
| SECURITY SERVICES                                   | 1,614,664                            | 523.296          | 84.505      |                 | 19 855                                                                | 0                               | 7 242 320         | 0                             |                  | (241,395)    |                        | 0 0                                             | 463,285<br>2 242 320 |
| TRAFFIC SERVICES: LAW ENFORCEMENT                   | 7,977,281                            |                  | 6           | 10,26           |                                                                       |                                 | 17,239,794        |                               |                  | (6.216.998)  | 11,022,796             | (1.809.252)                                     | 9.213.544            |
| TRAFFIC SERVICES: VEHICLE REGISTRATION              | 1,480,528                            |                  |             |                 | 36,299                                                                |                                 | 1,999,728         |                               |                  | (5,873,335)  |                        | (163,684)                                       | (4,037,291)          |
| TRAFFIC SERVICES: DRIVERS LICENSES                  | 906,788                              |                  |             |                 |                                                                       |                                 | 1,205,951         |                               |                  | (1,569,733)  |                        | 0                                               | (363,782)            |
| BOUCCET VOIE 10 TOTAL MANAGEMENT AND ADMINISTRATION | 12,432,682                           | 9,501,686        | 1,080,821   | 83,876          | 293,408                                                               | 0                               | 23,392,473        |                               | 23,392,473       | (13,901,461) | 9,491,012              | (1,972,936)                                     | 7,518,076            |
|                                                     | ا المراس عراق                        |                  |             |                 |                                                                       | 2                               | 65,010,050        | (19,538,058)                  |                  | cus,101,1T)  |                        | (3,875,072)                                     | 42,549,5zu           |

## APPENDIX D[5] GEORGE LOCAL MUNICIPALITY: SUMMARY OF INCOME/EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

| HUMAN RESOURCES                       | SALCHINES ALCOHOLES | SALARIES ALLOWANCES GENERAL EXPENSES | MAINTENANCE | CAPITAL CHARGES CONTAL DOCUMENT AND RESERVES | OUTLAY   |     | GROSS EXPENDITURE | EXPENDITURE | NETT EXPENDITURE | NCOME        | NETT (SURPLUS)/DEFICIT | APPROPRIATIONS NE | NETT (SURPLUS)/DEFICIT AFTER BTI |
|---------------------------------------|---------------------|--------------------------------------|-------------|----------------------------------------------|----------|-----|-------------------|-------------|------------------|--------------|------------------------|-------------------|----------------------------------|
|                                       |                     |                                      |             |                                              |          |     |                   | ļ.          |                  |              |                        |                   |                                  |
| UTERACY SERVICES                      | 0                   |                                      |             | 0                                            | 0        | 0   | 0                 | 0           |                  | 0            | 0                      | 0                 |                                  |
| HUMAN RESOURCES ADMINISTRATION        | 6,310,311           | 6,870,3                              | 7,813       | 0                                            | 102,707  | 0   | 13,291,218        |             | 4,858,33         | (607,048)    | 4.251,283              | (4.171)           | 4.247.11                         |
| BUDGET VOTE 11                        | 110,310,311         |                                      |             | 0                                            | 102,707  | 0   | 13,291,218        |             |                  | (607,048)    | 4,251,283              | (4,171)           | 4,247,112                        |
| TOTAL HUMAN RESOURCES                 | 6,310,311           |                                      |             | 0                                            | 102,707  | 0   | 13,291,218        | (8,432,887) | 4,858,331        | (607,048)    | 4,251,283              | (4,171)           | 4,247,112                        |
| PLANNING AND DEVELOPMENT              |                     |                                      |             |                                              |          |     |                   |             |                  |              |                        |                   |                                  |
| HOUSING ADMINISTRATION                | 3,272,474           | 20,916,287                           | 254,335     | 79,371                                       | 73,601   | 0   | 24,596,069        | 0           |                  | (17.927.761) | 6.668.308              | (1) 324 070)      | 5 344 25                         |
| BUDGET VOTE 12                        | 3,272,474           | 20,916,287                           | 254,336     | 79,371                                       | 73,601   | 0   | 24,596,069        | 0           | 24,596,069       | (17,927,761) | 802'899'9              | (1,324,070)       | 5,344,238                        |
| CHINNY                                | 250 542             |                                      |             |                                              | 272 2247 |     |                   |             |                  |              |                        |                   |                                  |
| ECONOMIC DEVELOPMENT                  | 463 380             |                                      |             |                                              | 111,141  | 0 0 | 7,212,245         |             | 7.212.245        | (9,086,611)  | (1.874.366)            | (9,282,974)       | (11, 157, 340)                   |
| PROPERTIES                            | 858 957             |                                      |             | 31 127                                       | 48.78    | 0   | 2,050,362         |             | 2,830,302        | 0 000 77     |                        | 0 000             | 2,830,36                         |
| DIRECTOR: PLANNING AND DEVELOPMENT    | 867,780             | 4,819,673                            | 113         | 0                                            | 24,466   | 0   | 5,712,032         | 0           | 5,712,032        | (16.174)     | 5.695.858              | (660,670)         | 5 695 858                        |
| BUDGET VOTE 13                        | 6.858,624           |                                      |             | 31,127                                       | 599,982  | 0   | 18,539,214        |             | 18,539,214       | (13,903,019) |                        | (10,156,073)      | 8(615(5)                         |
| TOTAL: PLANNING AND DEVELOPMENT       | 10,131,098          |                                      | 514,849     | 110,498                                      | 673,583  | 0   | 43,135,283        | 0           | 43,135,283       | (31,830,780) | 11,304,503             | (11,480,143)      | (175,640                         |
| HEALTH SERVICES                       |                     |                                      |             |                                              |          |     |                   |             |                  |              |                        |                   |                                  |
| HEALTH: ADMINISTRATION                | 917 281             |                                      | 442         | C                                            | 24 142   | -   | 3 307 EEB         | 1900        | 2 148 260        | 1507 4241    | 1640 023               | Č                 | 000                              |
| SOCIAL SERVICES                       | 726,755             | 1,626,842                            |             | 0                                            | 8.440    | 0   | 2 193 259         |             | 2 193 259        | (17 532)     | 707 571 6              | 0 0               | 2,519,2                          |
| HIV PROJECTS                          | 81,054              |                                      | C           | 0                                            | 1,694    | 0   | 98,956            |             | 926 869          | (066)        | 996'269                | 0                 | 996.799                          |
| OCCUPATIONAL HEALTH                   | 0                   | o                                    |             | 0                                            | 0        | 0   | 0                 | 0           | 0                | 0            | 0                      | 0                 |                                  |
| ENVIKONMENTAL HEALTH                  | 3/2,/40             | 345,228                              | 2,785       | 0                                            | 3,811    | 0   | 724,564           | 0           | 724,564          | (362)        | 723,602                | (15,386)          | 708,216                          |
| ODCE: VOIE 14                         | 250,625.1           |                                      | 3,227       | 0                                            | 38,087   | o   | 6,924,437         | (161,300)   | 6,763,137        | (546,608)    | 6,216,529              | (15,386)          | 6,201,1                          |
| LINIC SERVICES: BLANCO                | 516.011             | 6.425                                | 43          | 0                                            | c        | c   | 500 479           | -           | 520 470          | (522 481)    | 6                      | c                 |                                  |
| INIC SERVICES: ROSEMORE               | 336,930             |                                      | 1,950       | 0                                            | 0        |     | 346.679           |             | 346 679          | (346 680)    | (1)                    | 0 0               |                                  |
| ACALTSDORP G.G.S                      | 1,108,764           |                                      | 0           | 0                                            | 0        | 0   | 1,125,967         | İ           | 1,125,967        | (1,125,967)  | 0                      | 0                 |                                  |
| CLINIC SERVICES, CIVIC CENTRE         | 816,016             | 118,172                              | 163         | 0                                            | 65       |     | 934,421           |             | 934,421          | (934,422)    | (1)                    | (46,439)          | (46,440                          |
| CONVILLE G.G.S.                       | 3,098,174           | 147.495                              | 2,771       | 0                                            | 20,197   | 0   | 3,268,637         |             | 3,268,637        | (3,268,638)  | (1)                    | 0                 |                                  |
| STINIC SERVICES: DANSON               | 402,001             | 1,401                                | 3 8         | 9                                            | 0        | 0   | 490,008           | 0           | 490,008          | (490,009)    | 3                      | 0                 |                                  |
| INIO SERVICES: THEMBAI FILLI          | 92,320              | 71.0                                 | 35          | 0                                            | 2225     | 0   | 63,683            |             | 63,683           | (63,684)     | Ē.                     | 0 (               |                                  |
| LINIC SERVICES: PACAL TSDORP          | 0                   |                                      |             | 0                                            | 0        | 0   | 0                 | 0           | 0 0              | 0            | 0                      | 0                 |                                  |
| 3UDGET VOTE 15                        | 7,409,008           | 323,012                              |             | 0                                            | 22,537   | 0   | 7,759,731         | 0           | 7,759,731        | (95,759,739) | (8)                    | (46,439)          | (46,447                          |
| OTAL HEALTH SERVICES                  | 9,338,060           |                                      | 8,401       | 0                                            | 60,624   | ۰   | 14,684,168        | (161,300)   | 14,522,868       | (8,306,347)  | 6,216,521              | (61,825)          | 6,154,696                        |
| CIVIL AND TECHNICAL SERVICES          |                     |                                      |             |                                              |          |     |                   |             |                  |              |                        |                   |                                  |
| ORESTRY                               | 0                   | 944,513                              |             | 0                                            | 0        | 0   | 964,688           | O           | 964,688          | (535,043)    | 429,645                | 0                 | 429,645                          |
| BUDGET VOTE 16                        | O                   | 944,513                              | 20,175      | o                                            | o        | 0   | 964,688           | 0           | 964,688          | (535,043)    | 429,645                | 0                 | 429,645                          |
| ROCLAIMED ROADS                       |                     | 2 797 409                            | 835 055     | U                                            | •        | -   | 3 627 464         | 0           | 2 627 464        | 1000 6327    | 2 874 464              | V645 7E01         | 76 800 6                         |
| NUDGET VOTE 17                        | 0                   | 2,792,409                            | 835,055     | 0                                            | 0        | 0   | 3,627,464         | 0           | 3.627.464        | (000:55/)    | 2,874,464              | (645,739)         | 2,228,70                         |
|                                       |                     |                                      |             |                                              |          |     |                   |             |                  |              |                        |                   |                                  |
| CEMETERIES                            | 543,636             | 272,223                              | 95,999      | 0                                            | 0        | 0   | 913,858           | 0           | 913,858          | (240,503)    | 673,355                | (47,336)          | 626,019                          |
| BEACH AREAS                           | 1,329               |                                      | 79,545      | 0                                            | 0        | 0   | 178,156           | 0           | 178,156          | (252,549)    | (74,393)               | (75,393)          | (149,786                         |
| ARKS AND GARDENS                      | 52,788              | 141,837                              | 48,862      | 0 00 404                                     | 0        | 0   | 273,487           | (57,992)    | 215,495          | (330,275)    | (114,780)              | (9.523)           | (124,303                         |
| or Trovita                            | 101,007,2           |                                      | 24,000      | nen'to                                       |          | 3   | 1,321,418         |             | 874,126,1        | (2,583)      | 1,324,88b              | (2/9,35/)         | 7,045,52                         |
| JUGET VOTE 18                         | 3,066,940           | 4,710,941                            | 761,009     | 154,090                                      | ٥        | 0   | 8,692,980         | (57.992)    | 8,634,988        | (825.920)    | 7,809,068              | (411,609)         | 7,397,459                        |
| STREET CLEANSING                      | 1.951.830           |                                      | -           | 0                                            | c        | -   | 0 628 071         | (75 866)    | 2 453 205        | (100)        | 2 451 284              | c                 | 20 553 26                        |
| PUBLIC TOILETS                        | 553,981             |                                      | 74,763      | 0                                            | 273      | 0   | 968,244           | 0           | 968.244          | 0            | 968,244                | 0                 | 968,244                          |
| EMOVAL OF NIGHT SOIL                  | 648,382             | 173,836                              |             | 0                                            | 0        | ٥   | 822,218           | 0           | 822,218          | 0            | 822,218                | 0                 | 822,218                          |
| DUMPING SITE                          | 272.329             | 3,372,477                            | 959,059     | 0                                            | 0        | 0   | 4,603,865         | 0           | 4,603,865        | (1,020,000)  | 3,583,865              | 0                 | 3,583,865                        |
| RIDGET VOTE 19                        | 4,934,401           | 13,347,075                           |             | 260,834                                      | 9,586    | 0   | 18,581,595        | 0           | 18,581,595       | (26,998,887) | (8,417,292)            | 1,134,442         | (7.282,850                       |
| 2 100                                 | 625,000,0           | 9CB/BD6//1                           | 1,060,52    | 280,834                                      | 65836    | D   | 27,603,993        | (75.866)    | 27,528,127       | (28,019,808) | (491,681)              | 1,134,442         | 642,761                          |
| SEWERAGE: MAINLINES AND PUMP STATIONS | 4,691,990           |                                      |             | 481,577                                      | 15,017   | 0   | 20,028,308        | (3,091,682) | 16,936,626       | (45,864,424) | (28,927,798)           | 11,570,323        | (17,357,47                       |
| ATER CONTAMINATION CONTROL            | 4,413,211           | 5,271,690                            | 1,060,962   | 395,321                                      | 49,212   | o   | 11,190,396        |             | 11,190,396       | (1,323,110)  | 9,867,286              | 68,916            | 9,936,202                        |
| ODGE AGIE                             | 100,001,0           |                                      | -           | 876,096                                      | 64,223   | b   | 31,218,704        | (3,091,682) |                  | (47,187,534) | (19,060,51Z)           | 11,639,239        | Z,1ZP,1)                         |

## APPENDIX DIS) GEORGE LOCAL MUNICIPALITY: SUMMARY OF INCOMETENERNDINGE FOR THE YEAR ENDED 30 JUNE 2007

| BUDGET COST CENTRE                           | SALARIES ALLOWANCES | GENERAL EXPENSES | MAINTENANCE | CAPITAL CHARGES | CONTR. TO CAPITAL CONTR. TO FUNDS OUTLAY AND RESERVES |   | GROSS EXPENDITURE | ADMINISTRATION<br>EXPENDITURE | NETT EXPENDITURE | NCOME         | NETT (SURPLUS)/DEFICIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | APPROPRIATIONS NETT | NETT (SURPLUS) DEFICIT AFTER BTL |
|----------------------------------------------|---------------------|------------------|-------------|-----------------|-------------------------------------------------------|---|-------------------|-------------------------------|------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|
|                                              |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
| CIVIL AND TECHNICAL SERVICES: ADMINISTRATION | 4,678,770           | 4,384,256        | 77,667      | 0               | 49,089                                                | 0 | 9,189,782         | (1,330,500)                   | 7,859,282        | (2,498,919)   | 5,360,363                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (2,241)             | 5,358,122                        |
| BUDGET VOTE 21                               | 4,678,770           | 4,384,256        | 77,667      | ٥               | 49,089                                                | 0 | 9,189,782         | (1,330,500)                   | 7,859,282        | (2,498,919)   | 5,360,363                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (2,241)             | 5,358,122                        |
| STREETS AND STORM WATER                      | 7 553 700           | 100 000          | 200.000.00  | 10000           |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
| O TOUTOUR                                    | options,            | 750,100,52       | 13,300,734  | 5,103,955       | 1,931                                                 | 5 | 35,764,005        | (6,001,023)                   | 49,762,982       | (35,415,875)  | 14,347,107                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 21,163,695          | 35,510,802                       |
| 22 = 104 = 10000                             | 984,500,7           | 753,040,623      | 19,380,754  | 5,163,956       | 3,931                                                 | 0 | 55,764,005        | (6,001,023)                   | 49,762,982       | (35,415,875)  | 14,347,107                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 21,163,695          | 35,510,802                       |
| WATER PURIFICATION                           | 3,059,944           | 12,513,073       | 884.351     | 249 107         | -                                                     | - | 16 705 475        | c                             | 16 706 475       | (07 t CAX CA) | 000 000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 14 242 444          | Car TOO AA                       |
| WATER DISTRIBUTION                           | 5,729,918           | 9,790,478        | 7,675,502   | 594.796         | 10.218                                                | - | 23 800 912        | (5 262 513)                   | 18 538 300       | (65,031,304)  | 200,002,0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 77 054 575          | יסבר מכם מכי                     |
| BUDGET VOTE 23                               | 8,789,862           | 22,303,551       | 8,559,853   | 843.903         | 10.218                                                | • | 40 507 387        | (5.262.513)                   | 35 244 874       | (775 477 477  | (43,736,500)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 000,500,00          | (20,036,270)                     |
|                                              |                     |                  |             |                 |                                                       |   |                   | (1)                           |                  | ( continuos)  | (contrastor)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SEA, 180, 50        | (100,201,11)                     |
| FLEET MANAGEMENT                             | 1,085,252           | 8,199,489        | 269,892     | 175.142         | 30,977                                                | 0 | 10.360.752        | (11.281.320)                  | (92058)          | (400 000)     | (1 419 BSD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 75827 5837          | (7.06.7.49.7)                    |
| MECHANICAL WORKSHOP                          | 416,994             | 231,203          | 14,673      | 0               | 2,302                                                 | 0 | 665.172           | (660 832)                     | 4340             | 0             | 4 340                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (1907)              | (100,100,1)                      |
| BUDGET VOTE 24                               | 1,502,246           | 8,430,692        | 884,565     | 175,142         | 33.279                                                | 0 | 11025924          | (251 096 11)                  | (915.79k)        | (280 007)     | 25. 11 A 45 6100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (CE27 EAZ)          | 1231 630 0                       |
| TOTAL CIVIL AND TECHNICAL SERVICES           | 43,057,430          | 97,777,159       | 40,014,911  | 7,474,622       | 170,605                                               | - | 188,594,927       | (27,761,728)                  | 160.833,199      | (194.209.858) | (913,375,659)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 981 212 98          | 121,000,13                       |
| ELECTRO TECHNICAL SERVICES                   |                     |                  |             |                 |                                                       |   |                   |                               |                  |               | la contraction de la contracti |                     |                                  |
|                                              |                     |                  |             |                 |                                                       | İ |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
|                                              |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
| ELECTRO LECHNICAL SERVICES: ADMINISTRATION   | 4,480,910           | 7,246,343        | 16,832      | 0               | 6,947                                                 | 0 | 11,751,032        | 0                             | 11,751,032       | (613,089)     | 11,137,943                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0                   | 11,137,943                       |
| ELECTRO LECHNICAL SERVICES: DISTRIBUTION     | 12, 199, 390        | 102,078,356      | 8,681,053   | 3,030,845       | 272,192                                               | 0 | 126,261,836       | (5,121,304)                   | 121,140,532      | (174,314,602) | (53,174,070)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 11,139,148          | (42,034,922)                     |
| BUDGET VOTE 25                               | 16,680,300          | 109,324,699      | 8,697,865   | 3,030,845       | 279,139                                               | 0 | 138,012,868       | (5,121,304)                   | 132,891,564      | (174,927,691) | (42,036,127)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 11,139,148          | (30,896,979)                     |
| TOTAL ELECTRO TECHNICAL SERVICES             | 16,680,300          | 109,324,699      | 8,697,885   | 3,030,845       | 279,139                                               | 0 | 138,012,868       | (5,121,304)                   | 132,891,564      | (174,927,691) | (42,036,127)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 11,139,148          | (30,896,979)                     |
| FINANCIAL SERVICES                           |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
| HOUSING                                      | 547,327             | 8,895,469        | 1,417,033   | 0               | 0                                                     | 0 | 10,859,829        | 0                             | 10,859,829       | (7.772.857)   | 3.086.972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (3 086 974)         | (0)                              |
| BUDGET VOTE 26                               | 547,327             | 8,895,469        | 1,417,033   | 0               | 0                                                     | 0 | 10,859,829        | ٥                             | 10,859,829       | (7,772,857)   | 3,086,972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (3.086.974)         | (2)                              |
|                                              |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
| RATES                                        | ٥                   | 30,334,293       | 0           | 0               | 0                                                     | 0 | 30,334,293        | 0                             | 30,334,293       | (110,214,994) | (101,880,701)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4,203,139           | (75,677,562)                     |
| COLLECTIONS                                  | 1,017,181           | 24,165,437       | D           | 0               | 953                                                   | ٥ | 25,183,571        | 0                             | 25,183,571       | (25,724,433)  | (540,862)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                   | (540,862)                        |
| FINANCIAL SERVICES: INCOME                   | 5,755,979           | 255,031          | 1,379       | 0               | 23,335                                                | 0 | 6,035,724         | 0                             | 6,035,724        | (104,409)     | 5,931,315                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                   | 5,931,315                        |
| FINANCIAL SERVICES: VALUATIONS               | 377,185             | 28,176           | 0           | 0               | 0                                                     | 0 | 405,361           | 0                             | 405,361          | 0             | 405,361                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0                   | 405,361                          |
| TREASURY                                     | 1,559,885           | 8,846,373        | 22,774      | 115,250         | 10,641                                                | 0 | 10,554,923        | (6,420,000)                   | 4,134,923        | (2,108,076)   | 2,026,847                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8,301,971           | 10,328,818                       |
| SUPPLY CHAIN MANAGEMENT                      | 250,352             | 13,510           | -           | 39,125          | 0                                                     | 0 | 302,987           | 0                             | 302,987          | 0             | 302,987                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0                   | 302,987                          |
| FINANCIAL SERVICES, EXPENDITURE              | 1,371,934           | 96,650           | 81          | 0               | 5,697                                                 | 0 | 1,434,362         | 0                             | 1,434,362        | (302,032)     | 1,132,330                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                   | 1,132,330                        |
| TREASURY: REMUNERATION                       | 737,010             | 70,094           | 0           | 0               | 7,844                                                 | 0 | 814,948           | (814,948)                     | 0                | 0             | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                   | 0                                |
| FINANCIAL SERVICES: BUDGET OFFICE            | 521,513             | 653,687          | C           | 0               | 16,649                                                | 0 | 1,191,849         | 0                             | 1,191,849        | (390,846)     | 801,003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0                   | 801,003                          |
| FINANCIAL SERVICES: FINANCIAL STATEMENTS     | 1,055,586           | 126,995          | Q           | 0               | 7,281                                                 | 0 | 1,189,862         | 0                             | 1,189,862        | o             | 1,189,862                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                   | 1,189,862                        |
| FINANCE ADMINISTRATION                       | 0                   | 6,381,577        | n           | 0               | ٥                                                     | 0 | 6,381,577         | 0                             | 6,381,577        | (27,083,347)  | (20,701,770)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (61,450,555)        | (82,152,325)                     |
| BUDGET VOTE 27                               | 12,646,625          | 70,931,823       | 24,234      | 154,375         | 72,400                                                | 0 | 83,829,457        | (7,234,948)                   | 76,594,509       | (165,928,137) | (85)333,628)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (48,945,445)        | (138,279,073)                    |
| STORES                                       | 963 532             | 491 687          | 15 202      |                 | 600 0                                                 | - | 1 070 500         | 10 000 01                     | 1000001          |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ì                   |                                  |
| BUDGET VOTE 28                               | 763536              | 491 687          | 15.202      | , ,             | 2,083                                                 | 5 | 1,272,300         | (17/5961)                     | (13,263)         | (890/SL)      | (92,331)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0 "                 | (92,331)                         |
|                                              |                     |                  |             |                 | 20017                                                 | , | 000,212,          | (1) ((0)(0)(1)                | (13,000)         | (pon's1)      | (35,351)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3                   | (162,28)                         |
| COMPUTER: NETWORK                            | 46,919              | 2,165,889        | (48,321)    | 27,157          | 131,947                                               | 0 | 2.323.591         | (781 300)                     | 1542.291         | (9.078)       | 1 533 213                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (72 687)            | 1 550 526                        |
| COMPUTER: FRAMEWORK                          | 697,441             | 674,844          | 851,275     | 0               | 0                                                     | 0 | 2 223 561         | (1 409 600)                   | 813.961          | C             | 813.961                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (2)                 | 813 061                          |
| BUDGET VOTE 29                               | 744,360             | 2,840,733        | 802,965     | 27,157          | 131,947                                               | 0 | 4,547,152         | (2.190,900)                   | 2336252          | (8/06)        | 2347 174                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 02 6871             | 2 324 487                        |
| TOTAL FINANCIAL SERVICES                     | 14,701,848          | 83,159,712       | 2,259,424   | 181,532         | 206,430                                               | • | 100,508,946       | (10,777,619)                  | 89,737,327       | (173.729.140) | (83.991.813)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 152 055 1061        | (136.046 919)                    |
| GRAND TOTAL FOR GEORGE MUNICIPALITY          |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |
|                                              | 142.638.025         | 371.463.778      | 55.062.209  | 14 398 003      | 2 258 161                                             | ١ | 585 820 476       | 100 000 37                    | 500 544 450      | 1007 027 0031 | 1900 200                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | •                   | 100                              |
|                                              |                     |                  |             | alaaada         | . a.i hefin                                           | , | 202/040/17        | Inantencia ()                 | wd,110,500       | [69/9t/*ng]   | (1 na' 107' [ c ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | n                   | (109,102,12)                     |
|                                              |                     |                  |             |                 |                                                       |   |                   |                               |                  |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                                  |

## APPENDIX E (1)

## GEORGE MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007

|                                                           | 2007          | 2007          | 2007         | 2007         | Explanation of Significant                |
|-----------------------------------------------------------|---------------|---------------|--------------|--------------|-------------------------------------------|
|                                                           | Actual (R)    | Amended       | Variance (R) | Variance (%) | Variances greater than 10%                |
|                                                           |               | Budget        |              |              | versus Budget                             |
| REVENUE                                                   |               |               |              |              |                                           |
| Property Rates                                            | 106,885,341   | 105,419,000   | 1,466,341    | 1%           |                                           |
| Property Rates - penalties imposed and collection charges | 2,840,983     | 3,000,000     | (159,017)    | %5-          |                                           |
| Service charges                                           | 285,993,661   | 271,324,000   | 14,669,661   | 2%           |                                           |
| Rental of facilities and equipment                        | 2,110,543     | 2,060,100     | 50,443       | 2%           |                                           |
|                                                           |               |               |              |              | The cashflow was such that the            |
|                                                           |               |               |              |              | Council was in the fortunate              |
|                                                           |               | -             |              |              | position that there was a growth in       |
| Interest earned - external investments                    | 30,732,121    | 23,500,000    | 7,232,121    | 31%          | 31% external investments.                 |
| Interest earned - outstanding debtors                     | 3,368,217     | 3,263,000     | 105,217      | 3%           |                                           |
| Dividends received                                        | 0             | 0             | 0            | 0%           |                                           |
|                                                           |               |               |              |              | Due to flood damages, a camera            |
|                                                           |               |               |              |              | which was installed at Kaaimaas           |
| Fines                                                     | 6,367,663     | 9,252,500     | (2,884,837)  | -31%         | -31% was taken out, loss in ticket fines. |
| Licences and permits                                      | 2,327,128     | 2,110,600     | 216,528      | 10%          |                                           |
| Income for agency services                                | 5,381,712     | 5,024,400     | 357,312      | %2           |                                           |
| Government grants and subsidies - Operating               | 57,110,089    | 63,423,822    | (6,313,733)  | -10%         |                                           |
| Government grants and subsidies - Capital                 | 46,855,095    | 0             | 46,855,095   | %0           |                                           |
|                                                           |               |               |              |              | Income in respect of sale of erven        |
| Other income                                              | 50 458 618    | 41 455 560    | 9 003 058    | %66          | could not be anticipated and vat          |
| Public contributions, donated and contributed property,   | 0             | 0             | 0            | %0           |                                           |
| plant and equipment                                       | 0             | 0             | 0            | %0           |                                           |
| Gains on disposal of property, plant and equipment        | 287,598       | 0             | 287,598      | %0           |                                           |
| Total Revenue                                             | R 600,718,769 | R 529,832,982 | R 70,885,787 | 13%          |                                           |

APPENDIX E (1)

# GEORGE LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE). FOR THE YEAR ENDED 30 JUNE 2007

|                                    | 2007         | 2007         | 2007         | 2007         | Explanation of Significant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------|--------------|--------------|--------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | Actual (R)   | Amended      | Variance (R) | Variance (%) | Variances greater than 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                    |              | Budget       |              |              | versus Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| EXPENDITURE                        |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                    |              | }            |              |              | Amount budgeted for severance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                    |              |              |              |              | pay not utilized, there was uncertainty about council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Executive & Council                | 22,717,179   | 30,221,345   | (7,504,166)  | -25%         | -25% packages.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Finance and Admin                  | 135,991,260  | 140,675,473  | (4,684,213)  | -3%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Planning & Development             | 25,648,164   | 28,140,798   | (2,492,634)  | %6-          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Health Clinics                     | 13,959,621   | 20,317,159   | (6,357,538)  | -31%         | -31% The clinics were phasing out                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Community and Social Services      | 11,689,140   | 13,105,423   | (1,416,283)  | -11%         | -11% The Budget was too conservative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                    |              |              |              |              | on the property of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of |
| Housing                            | 35,455,903   | 31,286,978   | 4,168,925    | 13%          | 13% housing could not be anticipated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Public Safety                      | 25,263,407   | 26,648,525   | (1,385,118)  | -5%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Sport and Recreation               | 12,761,454   | 13,655,432   | (893,978)    | %2-          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Waste Management                   | 103,396,313  | 102,582,702  | 813,611      | 1%           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Environmental Protection           | 724,566      | 733,809      | (9,243)      | -1%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Road Transport                     | 7,537,830    | 5,724,161    | 1,813,669    | 32%          | Grants and subsidies received for 32% flood damages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Water                              | 51,697,788   | 56,077,819   | (4,380,031)  | %8-          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Electricity Distribution           | 138,012,870  | 136,194,640  | 1,818,230    | 1%           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Forestry                           | 964,690      | 994,000      | (29,310)     | -3%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Inter - departmental charges       | (76,309,017) | (76,701,580) | 392,563      | -1%          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Total Expenditure                  | 509,511,168  | 529,656,684  | (20,145,516) | 4%           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                    |              |              |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | R 91,207,601 | R 176,298    | R 91,031,303 |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

APPENDIX E(2)

# GEORGE LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)

|                               |                |               | FOR THE YE                              | FOR THE YEAR ENDED 30 JUNE 2007 | 7               |                 |                                                                      |
|-------------------------------|----------------|---------------|-----------------------------------------|---------------------------------|-----------------|-----------------|----------------------------------------------------------------------|
|                               |                |               |                                         |                                 |                 | E/D*100%        | -                                                                    |
|                               | A              | 80            | A+B=C                                   | ٥                               | C-D             | Ш               |                                                                      |
|                               | 2007           | 2007          | 2007                                    | 2007                            | 2007            | 2007            | Explanation of Significant                                           |
|                               | ACTUAL         | UNDER         | TOTAL ADDITIONS                         | AMENDED BUDGET                  | VARIANCE        | VARIANCE        | Variance greater than 5% versus Budget                               |
|                               |                |               |                                         |                                 |                 |                 | R500,000 budgeted for monitoring system did not realize due to       |
| Finance and Admin             | 4,684,970.89   | 00:00         | 4,684,970.89                            | 5,351,089.00                    | (666,118.11)    | -12.4%          | the delay caused by the service provider.                            |
|                               |                |               |                                         |                                 |                 |                 | Purchase of land was transferred to the 2007/8 financial year due    |
|                               |                |               |                                         | ,                               |                 |                 | to delay in approval of contract. Pacaltsdorp Industria Erf 13898,   |
|                               |                |               |                                         |                                 |                 |                 | amount budgeted includes 14% VAT which can be claimed back           |
|                               |                |               |                                         |                                 |                 |                 | and other portion was for unseen circumstances which was not fully   |
| Planning & Development        | 9,383,592.88   | 1,515,102.06  | 10,898,694.94                           | 14,886,052.00                   | (3,987,357.06)  | -26.8% utilised | utilised,                                                            |
|                               |                |               |                                         |                                 |                 |                 | Touwsranten EIA's not approved, grant allocations for creche not     |
| Housing                       | 3,550,009.78   | 488,079.65    | 4,038,089.43                            | 6,472,492.00                    | (2,434,402.57)  | -37.6%          | -37.6% yet received and delays in approving EIA's for Erf 325.       |
| 111000                        | CF CCC CCC     |               | 6 C C C C C C C C C C C C C C C C C C C | 0000                            | Fo c            | č               |                                                                      |
| , lean                        | 999,999,10     | 00.0          | 999,999,0                               | 00.000,000,1                    | (0.27)          | 0.0%            | Stalls for Hawkers: this project is a WIP for 2007/2008 and savings  |
| Society Secondary             | 7.33           | 000           | 17 32 000 3                             | 00 000 179 7                    | 7 204 204 205   | 9               |                                                                      |
| Community and Social Services | 80.100,010,0   | 002,030.12    | 0,232,103.11                            | 00.000,4/0,7                    | (1,301,234.23)  | -10.0%          | Savings on fire higade and vehicle purchased                         |
| Public Safety                 | 3,918,905.19   | 00.0          | 3,918,905.19                            | 4,402,000.00                    | (483,094.81)    | -11.0%          |                                                                      |
| Sport and Recreation          | 6,881,373.90   | 0.00          | 6,881,373.90                            | 7,343,000.00                    | (461,626.10)    | -6.3%           | -6.3% Savings on creation and upgrading of sport facilities.         |
|                               |                | -             |                                         |                                 |                 |                 |                                                                      |
| Waste Management              | 50,672,686.58  | 50,300,712.22 | 100,973,398.80                          | 101,495,000.00                  | (521,601.20)    | -0.5%           |                                                                      |
| -                             |                | -             |                                         |                                 |                 |                 | This project was stopped by Council resolution, this project will be |
| Road Transport                | 136,174.08     | 00:00         | 136,174.08                              | 862,000.00                      | (725,825.92)    | -84.2%          | -84.2% replaced by the building of One Stop Building.                |
| Water                         | 36,666,326,33  | 6,414,185.65  | 43,080,511.98                           | 43,183,000,00                   | (102,488.02)    | -0.2%           |                                                                      |
| Electricity                   | 21 580 465 29  | 131.250.00    | 21 711 715 29                           | 29 780 000 00                   | (8.068.284.71)  | -27.1%          | .27.1% Donation of Ribble Control from Eskom that did not realized.  |
|                               |                |               |                                         |                                 |                 |                 |                                                                      |
| TOTAL                         | 144,085,172.24 | 59,531,427.70 | 203,616,599.94                          | 222,448,633.00                  | (18,832,033.06) | -8.5%           |                                                                      |
|                               |                |               |                                         |                                 |                 |                 |                                                                      |

g/koos/state/boek 2006/external

# APPENDIX.F GEORGE LOCAL MUNICIPALITY DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MEMA 56 OF 2003 FOR THE YEAR ENDED 30 JUNE 2007

GRANTS AND SUBSIDIES RECEIVED

| NAMES DF GRANTS                                         | NAME OF ORGAN OF<br>STATE OR MUNICIPAL<br>ENTITY | LOANID | ALLOCATIONS AS PER<br>DORA | BALANCE BROUGHT<br>FORWARD |            | QUARTERLY RECEPTS | CEIPTS     |             | BUDGET VOTE                                        | VOTE DESCRIPTION                                           |         | QUARTERLY EXPENDITURE | XPENDITURE |            | GRANTS AND<br>SUBSIDIES<br>DELAYEO!<br>WITHHELD | TOTAL      |
|---------------------------------------------------------|--------------------------------------------------|--------|----------------------------|----------------------------|------------|-------------------|------------|-------------|----------------------------------------------------|------------------------------------------------------------|---------|-----------------------|------------|------------|-------------------------------------------------|------------|
|                                                         |                                                  |        |                            |                            | yds;       | 9                 | March      | June        |                                                    |                                                            | Sept    | ž                     | March      | - June     | JULY 2005 -<br>JUNE 2007                        |            |
| NATIONAL GRANTS                                         |                                                  |        |                            |                            |            |                   |            |             |                                                    |                                                            |         |                       |            |            |                                                 |            |
| Financial Management Grant (FMG)                        | Dept. of Local<br>Government                     |        | 200,000                    | 4,567,423                  | 500,000,00 |                   |            |             | BUDGET WOTE: 27                                    | FINANCIAL<br>SERVICES: BUDGET<br>OFFICE                    | 148,543 | 70,328                | 85750      | 86.225     |                                                 | 4676577    |
| Transitional Grant                                      |                                                  |        |                            | 1,576,522                  |            | -                 |            |             |                                                    |                                                            |         |                       |            |            | -                                               | 15650      |
| Municipal Infrastructure Grant (MIG) -<br>Disaster      | National Treasury                                | 1691   |                            |                            |            |                   | 21,398,486 |             | UDGET VOTE: 22                                     | SITREETS AND STORM SUDGET VOTE: 22 WATER                   |         |                       |            | 12 798 486 | -                                               | 0000008    |
| Municipal Infrastructure Grant (MIG)                    | Dept. of Local<br>Government                     | 561    | 35,511,000                 | 4,896,322                  |            |                   | 5,967,068  | 2,500,000 8 | UDGET VOTE: 23                                     | WATER PURFICATION AND WATER AND USET VOTE: 23 DISTRIBUTION | -       |                       |            | 11 032 256 |                                                 | 2 425 136  |
| Integrated National Electrification<br>Programme: Eskom | Dept. of Minerals &<br>Energy                    |        | 445,000                    | 8                          |            |                   |            |             |                                                    |                                                            |         |                       |            |            |                                                 |            |
| TOTAL: NATIONAL GRANTS                                  |                                                  |        | 36,456,000                 | 11,040,267                 | 900,008    |                   | 27,359,554 | 2,600,000   |                                                    |                                                            | 148.543 | 70.328                | 85758      | 23.916.966 |                                                 | 47 278 214 |
| PROVINCIAL GRANTS                                       |                                                  |        |                            |                            |            |                   |            |             |                                                    |                                                            |         |                       |            |            |                                                 |            |
| Rehabilitation of Gwaing Filoolwerke                    | Local Government and<br>Housing                  | comet  | 62,000                     |                            |            | -                 | 900,53     | a a         | BUDGET VOTE: 23                                    | WATER PURFICATION<br>AND WATER<br>DISTRIBUTION             |         |                       |            | 62,000     | 8                                               |            |
| Taxi Terminus                                           | Dept. of Transport                               | . 5591 | 0                          | 758.985                    |            | -                 |            |             | BUDGET VOTE: 22                                    | STREETS AND STORM.<br>WATER                                |         |                       |            | 758,986    | 0                                               | 6          |
| Mobility Strategy                                       | Dept. of Transport                               | 281    | 15,000,000                 | 7,000,000                  |            |                   | 15,000,000 |             | BUDSET VOTE: 22                                    | STREETS AND STORM:<br>WATER                                |         |                       |            | 10,250,074 |                                                 | 11,749,926 |
| Spatial Development Framework.                          | PAWC                                             |        | 145,000                    | 375,000                    |            |                   |            |             |                                                    |                                                            |         |                       |            |            |                                                 | 375 000    |
| Integrated housing and human<br>settlement development  | Local Government and<br>Housing                  |        | 8,013,000                  |                            |            |                   |            |             |                                                    |                                                            |         |                       |            |            |                                                 |            |
| High Security Fence                                     | Dept. of Hausing                                 | 1885   |                            | 90,316                     |            |                   |            | <u> </u>    | HOUSING<br>BUDGET VOTE: 12 ADMINISTRATION          | HOUSING<br>ADMINISTRATION                                  | -       |                       |            | 50,316     | 0                                               |            |
| ERF 325                                                 | Dept. of Housing                                 | 1887   |                            | - 6                        |            | -                 |            | 77104384    | 771043BUDGET VOTE: 12                              | HOUSING<br>12 ADMINISTRATION                               |         |                       |            | 771.043    | 8                                               |            |
| Touwsranten - Housing Project                           | Dept. of Housing                                 | 1992   |                            |                            |            |                   |            | 294,498 BU  | HOUSING<br>284,496 BUDGET VOTE ; 12 ADMINISTRATION | HOUSING<br>ADMINISTRATION                                  |         |                       |            | 294,498    |                                                 |            |
| Proclaimed Roads                                        | Dept. of Transport                               | 181    | -                          |                            |            | 1,250,508         | 4,789,492  |             | UDGET VOTE: 22                                     | STREETS AND STORM<br>BUDGET VOTE : 22 WATER                |         |                       |            | 6,040,000  | 5                                               |            |
| TOTAL: PROVINCIAL GRANTS                                |                                                  |        | 23,220,000                 | 8,184,301                  | •          | 1,250,508         | 19,851,492 | 1,065,541   |                                                    |                                                            | •       |                       |            | 18.226.917 | •                                               | 12.124.925 |
|                                                         |                                                  |        |                            |                            |            |                   |            |             |                                                    |                                                            |         | 1                     |            |            |                                                 |            |

## APPENDIX E GEORGE LOCAL MUNICIPALITY DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 173 OF MEMA 56 OF 2003 FOR THE YEAR ENDED 30 JUNE 2007

GRANTS AND SUBSIDIES RECEIVED

| NAMES OF GRANTS                                   |                                          |         |                            |                            |           |                    |              |             |                  |                                    |           |                       |             |              |                                                 |              |
|---------------------------------------------------|------------------------------------------|---------|----------------------------|----------------------------|-----------|--------------------|--------------|-------------|------------------|------------------------------------|-----------|-----------------------|-------------|--------------|-------------------------------------------------|--------------|
|                                                   | NAME OF ORGAN OF<br>STATE OR MUNICIPAL I | LOAN ID | ALLOCATIONS AS PER<br>DORA | BALANCE BROUGHT<br>FORWARD |           | QUARTERLY RECEIPTS | ECEIPTS      |             | BUDGET VOTE      | VOTE DESCRIPTION                   |           | QUARTERLY EXPENDITURE | EXPENDITURE |              | GRANTS AND<br>SUBSIDIES<br>DELAYED!<br>WITHHELD | TOTAL        |
|                                                   |                                          |         |                            |                            | Sept      | Dec                | March        | June        |                  |                                    | Sept      | Dec                   | March       | June         | JULY 2006 -<br>JUNE 2007                        |              |
| SUNDRY GRANTS                                     |                                          |         |                            |                            |           |                    |              |             |                  |                                    |           |                       |             |              |                                                 |              |
| rge Waterbronne                                   | Eden District Municipality               | 1892    |                            | 0                          |           |                    | 3,420,000    | <u> </u>    | UDGET VOTE: 23   | BUDGET VOTE: 23 WATER PURIFICATION |           |                       |             | 3,420,000    | o                                               |              |
| Khulani Women's Project                           | PAWC                                     |         | ·                          | 383,980                    |           |                    |              | 27,910      |                  |                                    |           |                       |             |              | 6                                               | 411,890      |
| 1GG - Pay points                                  | PAWC                                     |         |                            | 32,765                     |           |                    |              | <u> </u>    | BUDGET VOTE: 27  | FINANCIAL<br>SERVICES:INCOME       |           |                       |             | 32,765       | 0                                               | (0)          |
| ]<br> <br>  Electrification - 300 erven Ramaphosa | Dept, of Minerals &<br>Energy            | 1869    |                            | 87,398                     |           |                    |              | <u> </u>    | BUDGET VOTE: 25  | ELECTRO TECHNICAL<br>SERVICES      |           |                       |             | 87,398       | 8                                               | 3            |
| Fancourt Contribution - Electrification           | Eden District Municipality               | 1867    |                            | 28,231                     |           |                    |              | <u> </u>    | BUDGET VOTE : 25 | ELECTRO TECHNICAL<br>SERVICES      |           |                       |             | 28,231       | 0                                               | 3            |
| Floodiights Outeniqua Park                        | Eden District Municipality               | 1862    |                            | 73,000                     |           |                    |              |             | BUDGET VOTE: 08  | SPORT AND<br>RECREATION            |           |                       |             | 000'62       |                                                 | J            |
| Security Lighting Thembalethu                     | Eden District Municipality               | 1863    |                            | 21,162                     |           |                    | 7            | 18          | BUDGET VOTE: 22  | STREETS AND STORM<br>WATER         |           |                       |             | 21,162       | 0                                               |              |
| Electrification - Marais Camp                     | Dept. of Minerals &<br>Energy            | 1865    | 0                          | 138,042                    |           |                    |              | <u> </u>    | BUDGET VOTE : 25 | ELECTRO TECHNICAL<br>SERVICES      |           |                       |             | 138.042      | 0                                               | J            |
| Fancourt Contribution - Water<br>Distribution     | Eden District Municipality               | 1868    |                            | 1,029,605                  |           |                    |              | <u> </u>    | UDGET VOTE: 23   | BUDGET VOTE: 23 WATER DISTRIBUTION | · ·       |                       |             | 1,029,605    | 0                                               |              |
| Refuse Transfer Station                           | Eden District Municipality               | 1870    |                            | 202,116                    |           |                    |              |             |                  |                                    |           |                       |             |              | Ó                                               | 202.116      |
| TOTAL: SUNDRY GRANTS                              |                                          |         |                            | 1,996,297                  | 0         | 8                  | 3,420,000    | 27,910      |                  |                                    | 0         | 0                     | . 0         | 4,830,202    | 0                                               | 614,006      |
| GRAND TOTAL                                       |                                          |         | R 59,676,000               | R 21,220,866               | R 500,000 | R 1,250,508        | R 50,631,045 | R 3,693,451 |                  |                                    | R 148,543 | R 70,328              | R 85,750    | R 46,974,085 | 0 %                                             | R 30,017,165 |

## APPENDIX G

## GEORGE LOCAL MUNICIPALITY

## FUNDING REGISTER FOR THE YEAR ENDED 30 JUNE 2007

| Department of Local Government Mill-Disaster Grant Department of Minerals & Every Elect Disaster Municipally Elect Mill-Brant Municipally Elect Mill-Brant Municipally Elect Mill-Brant Municipally Elect Mill-Brant Mill-Brant Elect Mill-Brant Mill-Brant Elect Mill-Brant Ele | Srant              | 0 0            | 15,988,750.57              | 8,561,068.45  | 8              |               |                                         |                                         |               |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------------------|---------------|----------------|---------------|-----------------------------------------|-----------------------------------------|---------------|--------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    | 5              |                            | 21,398,485.79 | 000            | 8 8           | 24,549,819.02                           | 22,124,684.68                           | 2,425,134,34  | 21,967,080.08            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 15,988,750.57              | 29,959,554,24 | 0.00           | 00.00         | 45,948,304.81                           | 34,923,170.47                           | 11,025,134.34 | 34,731,844.58            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 000           |                |               |                                         |                                         |               |                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Liona              |                | 000                        | 000           | 000            | 000           | 800                                     | 000                                     | 000           | 4,331,715.57             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 00'0          | 0000           | 000           | 0.00                                    | 00'0                                    | 000           | 4,331,715.57             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - Newdawn Park     | 00             | 699,400.00                 | 88            | 8 8            | 800           | 899,400.00                              | 899,400.00                              | 000           | 850,556.46               |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | F.1                |                |                            | 888           | 800            | 8 8           | 3,558,600,32                            | 3,558,600,32                            | 8 8           | 3.380.670.30             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 000           | 000            | 00'0          | 673,000.00                              | 673,000,00                              | 000           | 642,884.00               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | alethu             |                | 400,000,00                 | 8 6           | 00.0           | 86            | 400,000.00                              | 400,000.00                              | 000           | 369,617.00               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | amp                |                |                            | 86            | 8 8            | 8 8           | 28 230 50                               | 417,410.49                              | 8 8           | 389,883,18               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Water Distribution |                | 2                          | 8 8           | 8 8            | 8 8           | 1029 504 58                             | 1 029 604 68                            | 800           | 1 029,467 68             |
| fairs<br>oresty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - Rhamaposa        |                |                            | 0.0           | 00'0           | 000           | 87,397.94                               | 87,397,94                               | 88            | 67,385,94                |
| lfairs<br>(restly<br>remerty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                    |                | 2                          | 00:0          | 00'0           | 00:0          | 1,268,929.76                            | 1,066,813.71                            | 202,116.05    | 1,013,473,62             |
| ffairs<br>(Tearly<br>coneatry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | vids Bay           |                |                            | 000           | 00:0           | 800           | 1,093,338.00                            | 1,093,338.00                            | 000           | 1,038,671,10             |
| lfairs<br>orestry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |                | 00:000:006                 | 00.0          | 8 8            | 8 8           | 900,000,00                              | 900,000,00                              | 88            | 854,880.30               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 12.249.2                   | 3.420.000.00  | 0.00           | 800           | 15.669.211.69                           | 15.467.095.64                           | 202.116.05    | 14 883 862 9d            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            |               |                |               |                                         |                                         |               |                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Сотрієх            |                | ~                          | 000           | 00:00          | 0.00          | 200,000,00                              | 200,000.00                              | 0.00          | 180,000,20               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5                  |                |                            | 8 8           | 000            | 0.00          | 79,494.34                               | 79,494,34                               | 8             | 74,194.75                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 5,000,150,7<br>2,000,150,7 | 8.8           | 8 8            | 8 8           | 3,631,536.79                            | 3,631,536.79                            | 8 8           | 3,507,309,33             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | H system           |                |                            | 8 8           | 8 8            | 8 8           | 230000                                  | 543,000,00                              | 8 8           | 71 000 070<br>VI 000 070 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | led.               |                |                            | 00.0          | 800            | 000           | 26,220,00                               | 26.220,00                               | 8 8           | 23 598 74                |
| Department of Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                | 7                          | 15,000,000,00 | 000            | 000           | 22,000,000.00                           | 10,250,074,45                           | 11,749,925.55 | 10,249,989.20            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | eal                |                |                            | 6,040,000.00  | 00:00          | 000           | 6,988,000,00                            | 6,988,000.00                            | 900           | 6,897,991.21             |
| PAWC - Dept. of Housing Hope Tende                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |                | 409,715.83                 | 0000          | 00.0           | 08.0          | 409,715.83                              | 409,715,83                              | 000           | 198,068.10               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ranten             |                |                            | 294.498.25    | 8 8            | 8 8           | 340.749.10                              | 340 749 10                              | 86            | 331 472 03               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | I - inn erven      |                |                            | 000           | 000            | 0000          | 991,534.84                              | 991,534,84                              | 900           | 793,227,87               |
| PAWC - Dept.of Housing Housing Project - Borchards  Dept.uib sign Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | spr                | 0 0            | 893,796,95                 | 00.0          | 000            | 000           | 893,796,95                              | 893,796.95                              | 00:00         | 804,173.24               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | CWE                |                |                            | 92,000,00     | 000            | 200           | 0,000,54                                | 62,000,00                               | DO            | 61,991.82                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 16,131,029.15              | 22,167,540.90 | 00'0           | 0.00          | 38,298,570.05                           | 26,548,644.50                           | 11,749,925.55 | 25,532,598,37            |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |                | 44 368 991 41              | 55.547.095.14 | 00 0           | 6             | 99 915 086 55                           | 75 978 910 61                           | 22 277 175 94 | 75 448 105 85            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | and and and                |               |                | 20.2          | 200000000000000000000000000000000000000 | 10,010,010,01                           | 40.011,110,04 | 00,000,041,07            |
| NCA (Infrastructure Finance Corp.) Annuity DBSA(Development Bank of South Africa) Annuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5                  | 9.04 20251231  | 22,621,656.01              | 8 8           | (1,723,590,88) | 1,998,691.80  | 20,898,065,13                           | 20,898,065.13                           | 880           | 19,348,210,88            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 000           | (1,091,507.27) | 1.854,870.61  | 16,908,492 73                           | 16,908,492.73                           | 000           | 16,807,974.89            |
| DBSA(Development Bank of South Africa) Annuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | oi c               | 41 20261231    | 46,000,00                  | 00.0          | (839,255.98)   | 4,311,574.04  | 45,160,744,02                           | 45,160,744.02                           | 000           | 45,390,346.96            |
| DBSA(Development Bank of South Africa)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 01.9.0             |                | 3 8                        | 45,700,000,00 | 3 8            | 3 8           | 45,700,000,00                           | 45,699,594,66                           | 405.34        | 45,666,791,68            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 8 8                        | 000           | 8 8            | 88            | 000                                     | 000000000000000000000000000000000000000 | 8.0           | 16.557.531.70            |
| INCA (Infrastructure Finance Corp.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    | 10.07 20160630 | 18,000,000,00              | 00.0          | (1,112,913.36) | 1,785,852.50  | 16,887,086.64                           | 16,887,096,64                           | 000           | 17,069,171.34            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | _                  |                | 139,743,281.84             | 93,100,000,00 | (5,528,045.29) | 13,190,524.58 | 227,315,236,55                          | 227,314,831,19                          | 405.36        | 241.887.995.37           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 1 404 500 00  | 8              | 8             | 30 (33 003 6                            | 50 500 500                              | 2000          | 13 F W 303               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 27.319 128 00 | 8 8            | 8 8           | 51 789 239 53                           | 20 465 068 65                           | 20,037,001,00 | 27 GEA GEA GE            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 33,051,181,28              | 14,911,008,00 | 000            | 8             | 47,962,189,28                           | 43,960,560,94                           | 4,001,628,34  | 40.084.344.21            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | _                  |                |                            | 82,936.00     | 00'0           | 00:0          | 1,441,321.19                            | 375,649.34                              | 1,065,671.85  | 263,825.27               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            | 3,598,000.00  | 000            | 0.00          | 34,523,931.98                           | 18,654,145.81                           | 15,869,786,17 | 18,021,465.60            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    | 6 6            | 20,679,794.32              | 20,166,073,00 | 000            | 8 8           | 40,845,867.32                           | 21,238,763.44                           | 19,607,103.88 | 20,474,722.51            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | ľ                          | 06 166 168 00 | 8              | 8 8           | 274 004 453 38                          | 130 460 646 04                          | 20,020,021,02 | 27 400 000 444           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                | 134,636,434,46             | 96,365,786.00 | 0.00           | 00.00         | 727,001,462,28                          | 139,469,645,01                          | 77.118,156,18 | 131,800,621.71           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                |                            |               |                |               |                                         |                                         |               |                          |

## APPENDIX H

## GEORGE LOCAL MUNICIPALITY

## ANALYSIS OF LONG TERM DEBTORS FOR THE YEAR ENDED 30 JUNE 2007

|                                                                      |                          | IN ENDED 30 301         | NL 2001                   |
|----------------------------------------------------------------------|--------------------------|-------------------------|---------------------------|
|                                                                      | SHORT<br>TERM<br>PORTION | 2007<br>R               | 2006<br>R                 |
| Housing Loans                                                        | 352,190                  | 13,219,030              | 14,444,574                |
| Public Organisations and Individuals Selling Schemes                 | 168,868<br>183,322       | 3,192,812<br>10,026,217 | 3,590,127<br>10,854,447   |
| ~ Vehicle Loans                                                      | 125,208                  | 335,898                 | 1,694,090                 |
| Loans to Organisations<br>(Section 185 (A) of Ord, 20/1974)          | 76,130                   | 822,377                 | 939,388                   |
| George Golf Club<br>George Pre- Primary School<br>George Riding Club | 58,818<br>3,652          | 739,024<br>3,652        | 793,698<br>10,372         |
| George Sports Club George Squash Club                                | 10,495<br>339<br>0       | 24,668<br>900<br>0      | 33,657<br>1,213<br>43,702 |
| Outeniqua Bowling Club                                               | 2,826                    | 54,133                  | 56,746                    |
| Sale of Property                                                     | 503,430                  | 1,315,560               | 2,887,916                 |
| Computer Loans (Personnel)                                           | 26,819                   | 41,154                  | 84,033                    |
| Zader Loan                                                           | 192,806                  | 192,806                 | 569,855                   |
| Victoria Bay - Paving/Sewerage Loans                                 | 3,321                    | 113,204                 | 111,963                   |
| Actaris Meter Costs                                                  | 4,378,720                | 4,378,720               | 5,804,685                 |
|                                                                      | R 5,658,625              | R 20,418,748            | R 26,536,504              |
| Less: Short Term Portion                                             |                          | (5,658,625)             | (2,637,934)               |
|                                                                      |                          | R 14,760,124            | R 23,898,570              |

<sup>~</sup> Senior Management

APPENDIX I

GEORGE LOCAL MUNICIPALITY: STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

| 1.1 Population 1.2 Valuation - Taxable Land 1.3 Valuation - Taxable Buildings 1.4 Valuation - Non Taxable Buildings 1.5 Valuation - Non Taxable Buildings 1.6 Valuation - Residential Land George 1.7 Valuation - Residential Buildings George 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Buildings George 1.13 Valuation - Commercial Buildings WiNess 1.14 Valuation - Residential Land WiNess | 165,000 R 3,143,675,610 R 5,909,745,350 R 189,766,300 R 111,598,000 R 1,275,818,700 R 261,291,400 R 384,688,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 | 160,000 R 3,052,517,260 R 5,711,891,500 R 189,678,578 R 110,848,000 R 1,209,834,800 R 3,188,417,400 R 403,692,600 R 1,104,045,600 R 77,686,000 R 301,084,000 | 155,000 R 2,907,926,242 R 5,375,130,900 R 187,527,000 R 98,737,000 R 1,114,497,962 R 3,122,383,400 R 395,972,000 R 1,096,132,400 R 77,869,000 R 290,386,000 | 153,000 R 2,669,363,252 R 5,266,001,960 R 187,834,100 R 92,444,000 R 1,073,015,062 R 3,090,056,900 R 382,393,000 R 1,046,922,000 R 77,721,000 | 151,000<br>R 1,312,791,544<br>R 3,168,789,910<br>R 153,714,336<br>R 91,011,500<br>R 701,242,030<br>R 1,895,823,660<br>R 274,772,990<br>R 814,498,050 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.3 Valuation - Taxable Buildings  1.4 Valuation - Non Taxable Land  1.5 Valuation - Non Taxable Buildings  1.6 Valuation - Residential Land George  1.7 Valuation - Residential Buildings George  1.8 Valuation - Commercial Land George  1.9 Valuation - Commercial Buildings George  1.10 Valuation - Industrial Land George  1.11 Valuation - Industrial Buildings George  1.12 Valuation - Commercial Buildings WiNess  1.13 Valuation - Commercial Buildings WiNess  1.14 Valuation - Residential Land WiNess                                       | R 5,909,745,350 R 189,766,300 R 111,598,000 R 1,275,818,700 R 261,291,400 R 384,668,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 R 52,057,000            | R 5,711,891,500<br>R 189,678,578<br>R 110,848,000<br>R 1,209,834,800<br>R 3,188,417,400<br>R 403,692,600<br>R 1,104,045,600<br>R 77,686,000<br>R 301,084,000 | R 5,375,130,900<br>R 187,527,000<br>R 98,737,000<br>R 1,114,497,962<br>R 3,122,383,400<br>R 395,972,000<br>R 1,096,132,400<br>R 77,869,000                  | R 5,266,001,960<br>R 187,834,100<br>R 92,444,000<br>R 1,073,015,062<br>R 3,090,058,900<br>R 382,393,000<br>R 1,046,922,000                    | R 3,168,789,910 R 153,714,339 R 91,011,500 R 701,242,030 R 1,895,823,660 R 274,772,990 R 814,498,050                                                 |
| 1.4 Valuation - Non Taxable Land 1.5 Valuation - Non Taxable Buildings 1.6 Valuation - Residential Land George 1.7 Valuation - Residential Buildings George 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Buildings W/Ness 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                    | R 189,766,300 R 111,598,000 R 1,275,818,700 R 261,291,400 R 384,688,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 R 52,057,000                            | R 189,678,578 R 110,848,000 R 1,209,834,800 R 3,188,417,400 R 403,692,600 R 1,104,045,600 R 77,686,000 R 301,084,000                                         | R 187,527,000 R 98,737,000 R 1,114,497,962 R 3,122,383,400 R 395,972,000 R 1,096,132,400 R 77,869,000                                                       | R 187,834,100<br>R 92,444,000<br>R 1,073,015,062<br>R 3,090,058,900<br>R 382,393,000<br>R 1,046,922,000                                       | R 153,714,339<br>R 91,011,500<br>R 701,242,030<br>R 1,895,823,660<br>R 274,772,990<br>R 814,498,050                                                  |
| 1.5 Valuation - Non Taxable Buildings 1.6 Valuation - Residential Land George 1.7 Valuation - Residential Buildings George 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Land W/Ness 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                                                          | R 111,598,000 R 1,275,818,700 R 261,291,400 R 384,688,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 R 52,057,000                                          | R 110,848,000<br>R 1,209,834,800<br>R 3,188,417,400<br>R 403,692,600<br>R 1,104,045,600<br>R 77,686,000<br>R 301,084,000                                     | R 98,737,000 R 1,114,497,962 R 3,122,383,400 R 395,972,000 R 1,096,132,400 R 77,869,000                                                                     | R 92,444,000<br>R 1,073,015,062<br>R 3,090,058,900<br>R 382,393,000<br>R 1,046,922,000                                                        | R 91,011,500<br>R 701,242,030<br>R 1,895,823,660<br>R 274,772,990<br>R 814,498,050                                                                   |
| 1.6 Valuation - Residential Land George 1.7 Valuation - Residential Buildings George 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Land W/Ness 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                                                                                                | R 1,275,818,700 R 261,291,400 R 384,688,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 R 52,057,000                                                        | R 1,209,834,800<br>R 3,188,417,400<br>R 403,692,600<br>R 1,104,045,600<br>R 77,686,000<br>R 301,084,000                                                      | R 1,114,497,962<br>R 3,122,383,400<br>R 395,972,000<br>R 1,096,132,400<br>R 77,869,000                                                                      | R 1,073,015,062<br>R 3,090,058,900<br>R 382,393,000<br>R 1,046,922,000                                                                        | R 701,242,030<br>R 1,895,823,660<br>R 274,772,990<br>R 814,498,050                                                                                   |
| 1.7 Valuation - Residential Buildings George 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Land W/Ness 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                        | R 261,291,400 R 384,688,600 R 1,069,659,000 R 77,228,000 R 304,385,000 R 35,439,100 R 52,057,000                                                                        | R 3,188,417,400<br>R 403,692,600<br>R 1,104,045,600<br>R 77,686,000<br>R 301,084,000                                                                         | R 3,122,383,400<br>R 395,972,000<br>R 1,096,132,400<br>R 77,869,000                                                                                         | R 3,090,058,900<br>R 382,393,000<br>R 1,046,922,000                                                                                           | R 1,895,823,660<br>R 274,772,990<br>R 814,498,050                                                                                                    |
| 1.8 Valuation - Commercial Land George 1.9 Valuation - Commercial Buildings George 1.10 Valuation - Industrial Land George 1.11 Valuation - Industrial Buildings George 1.12 Valuation - Commercial Land W/Ness 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                     | R 384,688,600<br>R 1,069,659,000<br>R 77,228,000<br>R 304,385,000<br>R 35,439,100<br>R 52,057,000                                                                       | R 403,692,600<br>R 1,104,045,600<br>R 77,686,000<br>R 301,084,000                                                                                            | R 395,972,000<br>R 1,096,132,400<br>R 77,869,000                                                                                                            | R 382,393,000<br>R 1,046,922,000                                                                                                              | R 274,772,990<br>R 814,498,050                                                                                                                       |
| 1.9 Valuation - Commercial Buildings George     1.10 Valuation - Industrial Land George     1.11 Valuation - Industrial Buildings George     1.12 Valuation - Commercial Land W/Ness     1.13 Valuation - Commercial Buildings W/Ness     1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                        | R 1,069,659,000<br>R 77,228,000<br>R 304,385,000<br>R 35,439,100<br>R 52,057,000                                                                                        | R 1,104,045,600<br>R 77,686,000<br>R 301,084,000                                                                                                             | R 1,096,132,400<br>R 77,869,000                                                                                                                             | R 1,046,922,000                                                                                                                               | R 814,498,050                                                                                                                                        |
| 1.10 Valuation - Industrial Land George     1.11 Valuation - Industrial Buildings George     1.12 Valuation - Commercial Land W/Ness     1.13 Valuation - Commercial Buildings W/Ness     1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                                                                        | R 77,228,000<br>R 304,385,000<br>R 35,439,100<br>R 52,057,000                                                                                                           | R 77,686,000<br>R 301,084,000                                                                                                                                | R 77,869,000                                                                                                                                                |                                                                                                                                               |                                                                                                                                                      |
| 1.11 Valuation - Industrial Buildings George     1.12 Valuation - Commercial Land W/Ness     1.13 Valuation - Commercial Buildings W/Ness     1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                                                                                                                    | R 304,385,000<br>R 35,439,100<br>R 52,057,000                                                                                                                           | R 301,084,000                                                                                                                                                |                                                                                                                                                             | R 77,721,000                                                                                                                                  | D 40 500 55                                                                                                                                          |
| 1.12 Valuation - Commercial Land W/Ness     1.13 Valuation - Commercial Buildings W/Ness     1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                     | R 35,439,100<br>R 52,057,000                                                                                                                                            |                                                                                                                                                              | R 290,386,000                                                                                                                                               |                                                                                                                                               | R 48,536,00                                                                                                                                          |
| 1.13 Valuation - Commercial Buildings W/Ness 1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | R 52,057,000                                                                                                                                                            | R 7,745,000                                                                                                                                                  |                                                                                                                                                             | R 271,804,000                                                                                                                                 | R 187,184,70                                                                                                                                         |
| 1.14 Valuation - Residential Land W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                                                                                                              | R 13,955,000                                                                                                                                                | R 19,058,000                                                                                                                                  | R 18,754,00                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | D ore one con                                                                                                                                                           | R 2,205,000                                                                                                                                                  | R 5,816,200                                                                                                                                                 | R 27,045,200                                                                                                                                  | R 20,971,00                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | R 655,998,500                                                                                                                                                           | R 635,156,150                                                                                                                                                | R 415,448,200                                                                                                                                               | R 406,308,200                                                                                                                                 | R 198,437,07                                                                                                                                         |
| 1.15 Valuation - Residential Buildings W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | R 695,354,710                                                                                                                                                           | R 592,301,710                                                                                                                                                | R 450,550,110                                                                                                                                               | R 430,594,570                                                                                                                                 | R 196,983,50                                                                                                                                         |
| 1.16 Valuation - Residential Land - Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | R 99,298,000                                                                                                                                                            | R 97,549,000                                                                                                                                                 | R 97,928,000                                                                                                                                                | R 97,835,000                                                                                                                                  | R 70,145,44                                                                                                                                          |
| 1.17 Valuation - Residential Buildings - Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | R 79,497,840                                                                                                                                                            | R 75,487,390                                                                                                                                                 | R 75,697,790                                                                                                                                                | R 74,384,290                                                                                                                                  | R 49,644,00                                                                                                                                          |
| 1.18 Valuation - Commercial Land - Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | R 1,017,000                                                                                                                                                             | R 995,000                                                                                                                                                    | R 611,000                                                                                                                                                   | R 817,000                                                                                                                                     | R 904,00                                                                                                                                             |
| 1.19 Valuation - Commercial Buildings - Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ř 4,032,400                                                                                                                                                             | R 4,024,400                                                                                                                                                  | R 2,851,000                                                                                                                                                 | R 3,778,000                                                                                                                                   | R 3,685,00                                                                                                                                           |
| 1.20 Valuation - Residential land - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | R 550,291,500                                                                                                                                                           | R 523,153,500                                                                                                                                                | R 637,406,970                                                                                                                                               | R 452,124,980                                                                                                                                 |                                                                                                                                                      |
| 1.21 Valuation - Residential buildings - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | R 193,949,000                                                                                                                                                           | R 194,111,000                                                                                                                                                | R 205,304,000                                                                                                                                               | R 189,762,000                                                                                                                                 |                                                                                                                                                      |
| 1.22 Valuation - Commercial land - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | R 63,896,210                                                                                                                                                            | R 96,705,210                                                                                                                                                 | R 154,238,110                                                                                                                                               | R 160,091,010                                                                                                                                 |                                                                                                                                                      |
| 1.23 Valuation - Commercial buildings - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | R 249,519,000                                                                                                                                                           | R 250,215,000                                                                                                                                                | R 126,010,000                                                                                                                                               | R 131,653,000                                                                                                                                 |                                                                                                                                                      |
| 1.24 Valuation - Industrial Land - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                                                                                                                                                       | 0                                                                                                                                                            | 0                                                                                                                                                           | 0                                                                                                                                             |                                                                                                                                                      |
| 1.25 Valuation - Industrial buildings - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                                                                                                                                                                       | 0                                                                                                                                                            | .0                                                                                                                                                          | 0                                                                                                                                             |                                                                                                                                                      |
| 1.26 Number of Residential Properties George                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 28,774                                                                                                                                                                  | 28,354                                                                                                                                                       | 27,632                                                                                                                                                      | 25,348                                                                                                                                        | 25,10                                                                                                                                                |
| 1.27 Number of Commercial Properties George                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 880                                                                                                                                                                     | 897                                                                                                                                                          | 855                                                                                                                                                         | 826                                                                                                                                           | 84                                                                                                                                                   |
| 1.28 Number of Industrial Properties George                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 403                                                                                                                                                                     | 398                                                                                                                                                          | 388                                                                                                                                                         | 382                                                                                                                                           | 37                                                                                                                                                   |
| 1.29 Number of Residential Properties W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2,561                                                                                                                                                                   | 2,406                                                                                                                                                        | 2,065                                                                                                                                                       | 2,083                                                                                                                                         | 1,82                                                                                                                                                 |
| 1.30 Number of Commercial Properties W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 63                                                                                                                                                                      | 19                                                                                                                                                           | 45                                                                                                                                                          | 36                                                                                                                                            | 2                                                                                                                                                    |
| 1.31 Number of Industrial Properties W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0                                                                                                                                                                       | 0-                                                                                                                                                           | .0                                                                                                                                                          | 0                                                                                                                                             |                                                                                                                                                      |
| 1.32 No of Residential Properties Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 675                                                                                                                                                                     | 664                                                                                                                                                          | 657                                                                                                                                                         | 645                                                                                                                                           | 39                                                                                                                                                   |
| 1.33 No of Commercial Properties Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                         | 7                                                                                                                                                            |                                                                                                                                                             | 6                                                                                                                                             |                                                                                                                                                      |
| 1.34 No of Industrial Properties Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0                                                                                                                                                                       | 0                                                                                                                                                            | 0                                                                                                                                                           | 0                                                                                                                                             |                                                                                                                                                      |
| 1.35 No of Residential properties - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,395                                                                                                                                                                   | 1,372                                                                                                                                                        | 1,569                                                                                                                                                       | 1,369                                                                                                                                         |                                                                                                                                                      |
| 1.36 No of Commercial Properties - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 131                                                                                                                                                                     | 150                                                                                                                                                          | 210                                                                                                                                                         | 196                                                                                                                                           |                                                                                                                                                      |
| 1.37 No of Industrial Properties - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                                                                                                                                                       | 0                                                                                                                                                            | 0                                                                                                                                                           | 0                                                                                                                                             | · · · · · · · · · · · · · · · · · · ·                                                                                                                |
| 1.38 Number of Other Properties - exemption                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2,273                                                                                                                                                                   | 2,289                                                                                                                                                        | 2,429                                                                                                                                                       | 2,336                                                                                                                                         | 2,28                                                                                                                                                 |
| 1.39 Assessment Rates - Land C/R George                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.6976                                                                                                                                                                  | 2                                                                                                                                                            | 1.4862                                                                                                                                                      | 1.3976                                                                                                                                        | 1.98                                                                                                                                                 |
| 1.40 Assessment Rates - Buildings C/R George                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 09337                                                                                                                                                                   | 0.8726                                                                                                                                                       | 0.8174                                                                                                                                                      | 0.7686                                                                                                                                        | 1.80                                                                                                                                                 |
| 1.41 Assessment Rates - Land C/R W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.6127                                                                                                                                                                  | 2                                                                                                                                                            | 1.3376                                                                                                                                                      | 1.2578                                                                                                                                        | 1.68                                                                                                                                                 |
| 1.42 Assessment Rates - Buildings C/R W/Ness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.8870                                                                                                                                                                  | 0.829                                                                                                                                                        | 07357                                                                                                                                                       | 0.6917                                                                                                                                        | 0.92                                                                                                                                                 |
| 1.43 Assessment Rates - Land C/R Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1.5278                                                                                                                                                                  | 1.4279                                                                                                                                                       | 1.1889                                                                                                                                                      | 1.1180                                                                                                                                        | 1.58                                                                                                                                                 |
| 1.44 Assessment Rates - Buildings C/R Small Holdings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.8403                                                                                                                                                                  | 0.7853                                                                                                                                                       | 0.6539                                                                                                                                                      | 0.6149                                                                                                                                        | 0.86                                                                                                                                                 |
| 1.45 Assessment Rates - Land C/R - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1.6976                                                                                                                                                                  | 1.5865                                                                                                                                                       | 1,4862                                                                                                                                                      | 1.3975                                                                                                                                        |                                                                                                                                                      |
| 1.46 Assessment Rates - Buildings C/R - Rural Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.9337                                                                                                                                                                  | 0.8726                                                                                                                                                       | 0.8174                                                                                                                                                      | 0.7686                                                                                                                                        |                                                                                                                                                      |
| 1.47 Number of Employees - Salaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 995                                                                                                                                                                     | 937                                                                                                                                                          | 851                                                                                                                                                         | 806                                                                                                                                           | 77                                                                                                                                                   |

APPENDIX I

GEORGE LOCAL MUNICIPALITY: STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

| 2(A) Electricity Statistics (Credit Meters)  | 2006/2007   | 2005/2006   | 2004/2005<br>GEORGE | 2003/2004   | 2002/2003   |
|----------------------------------------------|-------------|-------------|---------------------|-------------|-------------|
| 2.1 Total Number of Users ( Res & Com )      | 39,600      | 3,757       | 3,978               | 5,550       | 6,244       |
| 2.2 Units Bought / Generated                 | 458,659,000 | 430,765,281 | 399,321,562         | 386,398,710 | 367,746,290 |
| 2.3 Units Sold                               | 402,033,200 | 384,688,450 | 357,585,731         | 364,248,387 | 347,961,082 |
| 2.4 Units Lost in Distribution ( 2.2 - 2.3 ) | 56,625,800  | 46,076,831  | 41,735,831          | 22,150,323  | 19,785,200  |
| 2.5 Units Lost in Distribution as % of 2.2   | 12.3%       | 10.70%      | 10.45%              | 5.73%       | 5.38%       |
| 2.6 Cost Per Unit Bought / Generated         | 20c         | 16c         | 16c                 | 15c         | 150         |
| 2.7 Loss in Distribution (2.4 x 2.6)         | 11,325,160  | 7,372,292   | 6,677,733           | 3,322,548   | 2,967,780   |
| 2.8 Cost Per Unit Sold ( Oper Exp / 2.3 )    | 30c         | 31c         | 29c                 | 28c         | 29          |
| 2.9 Income Per Unit Sold ( Oper Inc / 2.3 )  | 43c         | 42c         | 38c                 | 33c         | 32          |
| 2.10 Total Expenditure                       | 119,774,806 | 119,920,378 | 106,475,459         | 105,511,265 | 98,026,294  |
| 2.11 Total income                            | 172,948,877 | 160,777,388 | 138,203,876         | 120,959,151 | 108,444,83  |
| 2.12 Total Cost of Bulk Purchases            |             | 70,429,849  | 64,905,242          | 61,564,981  | 55,105,787  |

|                                                 | 1 1              | 2005/2006        | 2004/2005        | 2003/2004        | 2002/2003        |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 2(B) Electricity Statistics (Pre-Paid Meters)   |                  |                  | GEORGE           |                  |                  |
| Active RDP's/Meters                             | 33,275           | 31,803           | 31,032           | 29,460           | 28,76            |
|                                                 |                  |                  |                  |                  |                  |
| Total Sales                                     |                  | <u> </u>         |                  |                  |                  |
| Electricity                                     | R 67,588,204.03  | R 59,370,253.08  | R 51,946,363.57  | R 44,004,257.63  | R 37,242,047.13  |
| VAT                                             | R 9,462,637.44   | R 8,312,387.51   | R 7,272,998.33   | R 6,244,972.38   | R 5,215,827.35   |
| Auxiliaries                                     | R 990,345.63     | R 1,177,429.03   | R 1,146,197.53   | R 1,313,401.34   | R 1,538,031.60   |
| Subtotal (Pre-Payment) - Including VAT          | R 78,041,187.10  | R 68,860,069.62  | R 60,365,559.43  | R 51,562,631.35  | R 43,995,906.0   |
| Service Payments                                | R 241,701,646.34 | R 219,822,178.93 | R 193,587,520.81 | R 119,674,225.91 | R 153,911,920.71 |
| Vote Payments                                   | R 473,856,404.65 | R 206,942,303.28 | R 278,076,857.48 | R 453,412,409.82 | R 260,410,339.99 |
| Total Including VAT                             | R 793,599,238.09 | R 495,624,561.83 | R 532,029,937.72 | R 624,649,267.08 | R 468,318,166.78 |
| Total BSST Sales Journals                       | R 3,186,391.52   | R 3,186,391.52   | R 2,938,032.39   | R 2,283,022.34   | R 1,665,073.93   |
|                                                 |                  |                  |                  |                  |                  |
| % Auxiliaries of Total (PP Electricity) Revenue | 1.26%            | 1.71%            | 1.94%            | 2.55%            | 3.509            |
|                                                 | <u> </u>         |                  |                  |                  |                  |
| Total KWH Energy Dispensed                      |                  |                  |                  |                  |                  |
| Resource (KWH)                                  | 164,737,218.40   | 155,312,261.30   | 143,318,828.00   | 132,082,377.10   | 122,345,647.00   |
| BSST                                            | 8,964,030.00     | 8,656,810.00     | 7,807,340.00     | 5,417,220.00     | 5,650,080.00     |
| Free Issues                                     | 445,589.70       | 241,584.40       | 233,880.40       | 189,593.00       | 219,276.60       |
| Total                                           | 174,146,838.10   | 164,210,666.70   | 161,360,048.40   | 137,689,190.10   | 128,215,003.60   |
| Transaction Total Summary                       |                  |                  |                  |                  |                  |
| Resource (KWH)                                  | 2,026,817.00     | 2,099,341.00     | 2,008,837.00     | 1,804,852.00     | 6,692,449.0      |
| BSST (excluding duplicates)                     | 338,260.00       | 331,753.00       | 319,266.00       | 276,523.00       | 282,504.00       |
| Service Payments                                | 164,038.00       | 333,082.00       | 173,339.00       | 138,708.00       | 156,153.00       |
| Vote Payments                                   | 75,170.00        | 54,639.00        | 50,721.00        | 33,437.00        | 24,736.00        |
| Free Issues                                     | 2,173.00         | 1,143.00         | 1,067.00         | 1,027.00         | 1,937.00         |
|                                                 |                  |                  |                  |                  |                  |
| Average KWH units resource per transactions     | 81.41            | 74.17            | 71.36            | 73.30            | 75.76            |
| Average revenue per resource transaction        | 33.41            | 28.41            | 25.87            | 28.72            | 27.24            |
| Average consumption (Kwh) / Active consumer     | 443.85           | 393.23           | 386.40           | 381.29           | 385.07           |
| Total New Meters on SMS                         |                  | 1,033.00         | 1,642.00         | 2,620.00         | 2,304.00         |
| Total Meter Replacements on SMS                 |                  | 1,936.00         | 1,149.00         | 1,000.00         | 911.00           |

## APPENDIX I

## GEORGE LOCAL MUNICIPALITY: STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

| 3 Water Statistics                         |       |              |              |              |              |              |
|--------------------------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| 3.1 Total Number of Users ( Res & Com )    | 1 1   | 26,985       | 25,860       | 22,690       | 20,233       | 18,167       |
| 3.2 Units Bought / Purified                | ki _  | 10,357,514   | 9,850,717    | 9,571,290    | 9,996,884    | 9,454,732    |
| 3.3 Units Sold                             | ki    | 10,962,090   | 9,796,928    | 9,087,214    | 9,012,539    | 8,385,555    |
| 3.4 Units Lost in Distribution (3.2 - 3.3) | ki    | 604,576      | 53,789       | 484,076      | 984,345      | 1,069,177    |
| 3.5 Units Lost in Distribution as % of 3.2 |       | 5.84%        | 0.55%        | 5.06%        | 9.85%        | 11.31%       |
| 3.6 Cost Per Unit Bought / Purified        | кI    | R 1.71       | R 1.54       | R 1.43       | R 0.98       | R 0.99       |
| 3.7 Loss in Distribution (3.4 x 3.6)       | İL    | R 1,033,825  | R 82,835     | R 692,229    | R 961,446    | R 1,058,485  |
| 3.8 Cost Per Unit Sold (Oper Exp / 3.3)    | kI    | R 3.49       | R 3.46       | R 3.69       | R 3.34       | R 3.61       |
| 3.9 Income Per Unit Sold (Oper Inc / 3.3)  | kI    | R 5.63       | R 6.62       | R 4.41       | R 3.86       | R 4.15       |
| 3.10 Total Expenditure                     | .   [ | R 38,242,248 | R 33,901,879 | R 33,492,633 | R 30,095,155 | R 30,277,383 |
| 3.11 Total Income                          |       | R 61,701,322 | R 64,887,875 | R 40,055,233 | R 34,798,101 | R 34,768,716 |
| 3.12 Total Cost of Water Purification      | L     | R 17,608,967 | R 15,190,616 | R 13,719,723 | R 9,764,329  | R 9,327,034  |

| 4 Housing Statistics                         | 2006/2007 | 2005/2006 | 2004/2005<br>GEORGE | 2003/2004 | 2002/2003 |
|----------------------------------------------|-----------|-----------|---------------------|-----------|-----------|
| 4.1 Rental + Selling Scheme Stock            | 107       | 143       | 832                 | 1,150     | 1,55      |
| 4.2 Subsidy Houses Completed                 | 49        | 293       | 438                 | 1,147     | 1,16      |
| 4.3 Number of people Accommodated            | 0         | 0         | 0                   | 0         |           |
| @ factor of 4,5 persons/house                | 220       | 1,319     | 1,971               | 5,162     | 5,22      |
| 4.4 Waiting list                             | 11,109    | 12,480    | 9,600               | 12,000    | 10,50     |
| 4.5 Application submitted for Subsidy Houses | 485       | 750       | 1,945               | 1,701     | 3,72      |

| 5 Sundry Statistics                              | 2006/2007     | 2005/2006     | 2004/2005<br>GEORGE | 2003/2004   | 2002/2003   |
|--------------------------------------------------|---------------|---------------|---------------------|-------------|-------------|
| 5.1 Municipal Area - Square Km                   | 1,075         | 1,075         | 1,075               | 1,070       | 218         |
| 5.2 Previous Election - No Reg Voters            | 68,362        | 68,362        | 55,291              | 55,291      | 55,291      |
| 5.3 Previous Election - Percentage Poll          | 54.5%         | 54.5%         | 53.7%               | 53.7%       | 53.7%       |
| 5.4 Fire Service/Ambutance - Stations            | 1             | 1             | 1                   | 1           | 1           |
| * 5.5 Fire Service/Ambulance - Employees         | 21            | 21            | 18                  | 13          | 12          |
| 5.6 Bldg Survey - No Bldg Plans Passed           | 1,486         | 1,998         | 1,270               | 1,495       | 948         |
| 5.7 Bldg Survey - Value Bldg Plans Passed        | 684,700,252   | 757,904,324   | 516,828,991         | 453,786,011 | 208,549,150 |
| 5.8 Bldg Survey - Inspections Performed          | 4,857         | 5,726         | 4,990               | 4,897       | 3,129       |
| 5.9 Parks & Recreation - No developed Parks      | 54            | 56            | 50                  | 59          | 59          |
| 5.10 Parks & Recreation - No Swimming Pools      |               | 0             | 0                   | 0           | . 0         |
| ~ 5.11 Parks & Recreation - No Tennis Courts     | 19            | 19            | 19                  | 19          | 19          |
| 5.12 Motor Vehicle Registry - Licences Issued    | 87,599        | 83,925        | 75,152              | 70,013      | 61,588      |
| 5.13 Sundry - Licences Issued                    | 1,255         | 1,071         | 1,213               | 750         | 679         |
| * 5.14 Total Personnel in Service Of The Council | 995           | 937           | 851                 | 806         | 777         |
| 5.15 Library - Books Issued                      | 701,526       | 758,319       | 831,116             | 835,367     | 836,653     |
| 5.16 Refuse Removal/Dumped - Tonnage /yr         | 39,000        | 37,000        | 35,000              | 33,500      | 33,500      |
| 5.17 Roads - Total Length Of Constructed Rd's    | 503           | 490           | 475                 | 460         | 450         |
| 5.18 Roads - Constructed/Repaired In Year        | 15            | 13            | 15                  | 10          | 6           |
| 5.19 Property Transaction - Value                | 1,298,985,409 | 1,275,595,317 | 1,548,716,214       | 622,353,556 | 581,349,383 |
| 5.20. Properly Transaction - Quantily            | 1,520         | 1,414         | 2,643               | 1,083       | 2,344       |

\* Only permanent employees

\* George Sports Club = 7
Rosemoor Sports Club = 6
Pacaltsdorp Sports Club = 3
Denneoord = 2
Thembalethu Sports Club = 1

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## APPENDIX J

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. In the table set out below, the exemptions offered have been listed; together with an indication of the process that the municipality will follow regarding plans to implement the exemptions. Furthermore, the extent to which information in the annual financial statements would need to be adjusted to achieve compliance with the exempted standards has also been stated in the table.

| Std.<br>no. | Standard title                                                  | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                                                                                                                                    | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                           | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                            |
|-------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRAP<br>03  | Accounting policies, changes in accounting estimates and errors | Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31). A list of these standards is as follows: GRAP 4 The Effects of Changes in Foreign Exchange Rates GRAP 5 Borrowing Costs GRAP 6 Consolidated AFS | >-                                      | The following GRAP standards have been issued but are not yet effective. The implementation plans that still need to be implemented to achieve full compliance with the standards are set out below.  GRAP 4,6,7,8,9,12,17,19 Currently the municipality adheres to the requirements of the comparable GAMAP standards. Determine the difference hetween the applicable accounting | Highly likely that no adjustments to the AFS will be required as there are no fundamental differences between these GAMAP and GRAP standards.                                                                                                                                                                                                 |
|             |                                                                 | GRAP 9 Revenue<br>GRAP 10 Financial Reporting in Hyperinflationary                                                                                                                                                                                            |                                         | treatment and disclosure requirements of the GAMAP versus the GRAP standards and make any necessary adjustments to the AFS.                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                               |
|             |                                                                 | GRAP 11 Construction Contracts GRAP 12 Inventories GRAP 13 Leases GRAP 14 Events After the Reporting Date GRAP 16 IP GRAP 17 PPE                                                                                                                              |                                         | GRAP 5 Borrowing Costs. Determine the applicable accounting treatment and disclosure requirements of GRAP 5 for the municipality.                                                                                                                                                                                                                                                  | A portion of interest cost on interest bearing borrowings, in respect of assets that take a substantial period of time for construction and before they are ready for use, may be capitalised to the relevant asset and will result in interest cost in the Statement of Financial Performance reducing and the cost of the asset increasing. |
|             |                                                                 | GRAP 18 Segment Reporting<br>GRAP 19 Provisions, Contingent Liabilities and<br>Contingent Assets                                                                                                                                                              |                                         | GRAP 10 and 11. The municipality does not have these types of transactions.                                                                                                                                                                                                                                                                                                        | No adjustment required.                                                                                                                                                                                                                                                                                                                       |
|             |                                                                 | GRAP 100 Non Current assets held for sale<br>GRAP 101 Agriculture<br>GRAP 102 Intangible Assets                                                                                                                                                               |                                         | GRAP 13, 14, 16, 18, 100, 101 and 102. The municipality adheres to the requirements of the comparable GAAP standards except for the exemptions adopted as set out below per standard.                                                                                                                                                                                              | See adjustments required as per relevant sections of this document set out below.                                                                                                                                                                                                                                                             |
|             |                                                                 | Changes in accounting policies (GRAP 3.14, 19)                                                                                                                                                                                                                | >-                                      | No action plans are required. The GAMAP/<br>GRAP/ GAAP related changes that had been<br>done for the first time, non exempted<br>application of these standards, are mostly                                                                                                                                                                                                        | No adjustments to the AFS are required.                                                                                                                                                                                                                                                                                                       |

| Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards       | as purified water.  The accounting policy should reflect the valuation methodology for purified and purchased water.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | The following adjustments will need to be made to the AFS if the review of useful lives of PPE result in a change in estimate.  1) The depreciation charge for the year in which the |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards | best serve to value water on hand at year end i.e. FIFO or weighted average.  3) Value the purchased water at year end by utilising the FIFO methodology and multiplying purchased water on hand at year end with the latest purchase price.  4) Value purified water on hand at year end by determining a production cost per unit of water purified and then applying this to the volume of purified water on hand at year end. The production cost per unit must be based on:  • Costs directly related to the units of production such as direct materials and direct labour. This could include expense items such as wage costs of plant workers and chemicals used in the production process.  • A systematic allocation of fixed production overheads, which are indirect costs of production that remain relatively constant, regardless of the level of production, such as depreciation of manufacturing equipment and the production that vary in accordance with variances in the volume of production.  Examples are indirect labour such as the salary of a factory foreman, and also indirect materials. | 1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the remaining useful life of all items of PPE as reflected for assets under           |
| Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | >                                                                                                                                                                                    |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 – 61, 77)                                                                           |
| Standard title                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Property, plant and equipment                                                                                                                                                        |
| Std.<br>no.                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GAMAP<br>17                                                                                                                                                                          |

| at Extent to which information in the AFS would need full to be adjusted to achieve compliance with the exempted standards | change in estimate takes place as well as for all other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively.  2) A note on the change in estimate will be disclosed if the change in estimate is material.                            | tal The following adjustments will need to be made to to the AFS if the review of depreciation methods of end PPE results in a change in estimate.  1) The depreciation charge for the year in which the change in estimate takes place as well as for all other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively.  2) A note on the change in estimate will be disclosed if the change in estimate is material.                                                                                                                                                                 | The following adjustments will need to be made to the AFS if impairment losses are calculated and d by disclosed for the first time:  1) The carrying amount of PPE will be reduced. e at 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses.  3) The accounting policy relating to PPE will have to |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards   | their control per the FAR is realistic.  2) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end.  3) Pass necessary accounting entries and also do necessary disclosure of the change in estimate. | 1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the depreciation method used to depreciate all items of PPE as reflected as being under their control per the FAR is realistic.  2) CFO to review the depreciation method used to depreciate different classes of assets annually to assess its applicability for each class of asset.  3) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end.  4) Pass necessary accounting entries and also do necessary disclosure of the change in estimate. | 1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that:  Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end);                                                             |
| Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N                                                                                    |                                                                                                                                                                                                                                                                                                                                 | >-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | >                                                                                                                                                                                                                                                                                                                                                                                    |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                 |                                                                                                                                                                                                                                                                                                                                 | Review of depreciation method applied to PPE recognised in the annual financial statements(GAMAP 17.62, 77)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Impairment of non-cash generating assets (GAMAP 17.64 – 69, 75(e)(v) - (vi))                                                                                                                                                                                                                                                                                                         |
| Standard title                                                                                                             |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                      |
| Std.<br>no.                                                                                                                |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                      |

| Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards       | be amended to indicate how the entity deals with and discloses impairment losses.  4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material.  5) All disclosure requirements as required by IPSAS is and disclosure requirements as required by IPSAS or an analysis or the statement of Financial Performance, if material.  5) All disclosure requirements as required by IPSAS is an analysis or the statement of Financial Performance, if material.  6) All disclosure requirements as required by IPSAS is an analysis or the statement of Financial Performance, if material.  7) Performance, if material.  8) All disclosure requirements as required by IPSAS is an analysis of the statement of Financial Performance, if material.  8) Performance, if material.  9) Performance, if material.  10] Performance, if material.  11] Performance, if material.  12] Performance, if material.  13] Performance, if material.  14] Performance, if material.  15] Performance, if material.  16] Performance, if material.  17] Performance, if material.  18] Performance, if material.  19] Performance, if material. | The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time:  1) The carrying amount of PPE will be reduced.  2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses.  3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses.  4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards | Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft);  Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assessed remaining useful life is shorter than the remaining useful life is shorter than the remaining useful life is shorter than the remaining useful life. Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. Show that they are not performing according to their specifications or according to their specifications or according to industry accepted norms.  2) Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount.                                                                                                                                                                                                                 | 1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that:  Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end);  Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft);  Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining     |
| Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) – (vi))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Standard title                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Std.<br>no.                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Std.<br>no. | Standard title         | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007. | Exe Descripting the complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimation complimatio | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                               |
|-------------|------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                        |                                                                                            | to major a useful lives can then as the assess shorter than the printout)  Have rema period eithe use at year Show that according according the carrying amount where the than the asset's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout);  Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.  Show that they are not performing according to their specifications or according to their specifications or according to industry accepted norms.  Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount. | 5) All disclosure requirements as required by IAS 36.                                                                                                                                                                                                                                                                                                                                                            |
| AC 109      | Construction contracts | Entire standard                                                                            | Constructions of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of the months of | The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.                                                                                                                                                                                                                                                                                                                                                                        | The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.                                                          |
| AC 115      | Segment reporting      | Entire standard                                                                            | Y Obtair of bus segme 2) Determ segme 3) Decide report report a decident secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon secon | Obtain an understanding of the definitions of business segments and geographical segments as set out in IAS 14.  Determine the business and geographical segments of the municipality.  Decide on the primary and secondary reporting formats for the entity. Therefore a decision must be made whether business is primary and geographical secondary or vice versa.                                                                                                                                                                                                                                                                                                                                                          | The AFS will have to be adjusted to ensure that the disclosure requirements of IAS 14.51 to .67 relating to segment information are met.  The primary reporting format requires inter alia, disclosure of:  1) Segment revenue for every reportable segment.  2) Segment results for every reportable segment.  3) Segment assets for every reportable segment.  4) The total cost incurred during the period to |

| Std.<br>no.           | Standard title    | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                                                                                                     | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                   |                                                                                                                                                                                                                                | 4                                       | Change the chart of accounts and accounting software package to ensure that the segmental revenue, expenses, results, assets and liabilities can be accounted for and presented in the AFS according to the primary and secondary reporting formats.                                                                                                                                                                                                                                                                                                                                                                            | acquire reportable segment long term assets.  5) A reconciliation between the information disclosed for reportable segments and the information in the entity's own financial statements.  Based on the decision of the entity whether business or geographical segments are the primary reporting format, the secondary reporting format requirements as set out in IAS 14 will also need to be disclosed in the AFS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| AC 105                | Leases            | Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 – 34 and 50 – 51 and SAICA circular 12/06.8 – 11)      | >                                       | 1) The municipality must obtain copies of all existing current lease agreements.  2) For each lease agreement the municipality must distinguish each lease as a Finance Leases or an Operating Lease.  3) Assets held in terms of Finance Leases as defined in IAS 17 must be capitalised and subsequently depreciated and/or impaired.  4) A complete Lease Contract Register must be kept to ensure the completeness of lease transactions.  5) Operating Leases that have fluctuating payment arrangements must be identified and operating lease expenses that fall within this category must be straight-lined (smoothed). | The following adjustments will need to be made to the AFS if operating lease payments are straight lined as opposed to accounting for them based on cash flows:  1) Currently, operating lease payments are accounted for based on the cash flows in the lease agreement and therefore the actual amount of lease instalments incurred per annum is recognised in the Statement of Financial Performance. Once straight lining is done the amount recognised in the Statement of Financial Performance will be the average annual instalment calculated over the entire lifespan of the lease. If the actual instalments in a year are more than the average instalment the difference will be shown either as a prepayment (debtor) in the AFS. If the actual instalments in a year are less than the average instalment the difference will be shown either as an accrual (creditor) in the AFS. |
| IAS 19<br>(AC<br>116) | Employee benefits | Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 – 119 and 120A(c) – (q)) | >-                                      | The municipality must obtain actuarial valuation reports of all defined benefit plans.     The valuations obtained in point 1 above will have to studied and analysed to extract all the relevant information necessary for defined benefit accounting                                                                                                                                                                                                                                                                                                                                                                          | No work had been done in terms of IAS 19 as of yet.<br>Thus the full requirements and steps listed in the previous column must still be performed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| nentation plans that Extent to which information in the AFS would need to achieve full to be adjusted to achieve compliance with the empted standards exempted standards | as set out in IAS 19. The necessary disclosures in terms of IAS 19 19 19 19 19 19 19 19 19 19 19 19 19 | Corrently all conditional capital grants  accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the purchase of PPE are accounted for the proper and the Statement of Financial Performance equal busyers in accordance with the grant conditions a transfer is amount is transferred from the accountable of surplus equity by accountable despreasation on assets funded from government grants. The purpose of this policy is to promote community equity by ensuring that the future deperciation accountable despreasation on assets funded from government grants. The purpose of this policy is to promote community equity by ensuring that the future deperciation accountable despreasation on assets funded from government grants are for the accountable despreasation will be incurred over the useful lives of government grant funded items of property, plant and equipment are accountable despreasation. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                 | as set out in IAS 19.  The necessary disclosures 19 must still be performed                            | Currently all conditional capital grants received for the purchase of PPE are accounted for in terms of the NT GRAP implementation guidelines dated June 2005 and also GAMAP 9.42 to 46.  Con receipt of a conditional capital government grant the amount is banked and reflected as a current liability called Unspent Conditional Grants and Receip Once the amount is spent in accordance with the grant conditions a transfer is made from the current liability to the Statement of Financial Performance equ to the amount that has been spent durin the financial year in accordance with the grant conditions. Thereafter an equal amount is transferred from the Accumulated Surplus to the Governmer Grant Reserve (GGR) on the statement Changes in Net Assets. Annually an amount is transferred from this reserve accumulated surplus equal to the amou of depreciation on assets funded from government grants. The purpose of this policy is to promote community equity be ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment offset by transfers from this reserve to accumulated surplus/ (deficit).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N                                                                                                                                  |                                                                                                        | >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                                               |                                                                                                        | Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, 17.25 and 9.42 – 46.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Standard title                                                                                                                                                           | 21                                                                                                     | Accounting for government grants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Std.<br>no.                                                                                                                                                              |                                                                                                        | IAS 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Std.<br>no.     | Standard title       | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007. | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------|----------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |                      |                                                                                            |                                         | 4) For future depreciation charges in respect of assets that have a carrying amount equal to the deferred income account on the date of the unbundling of the GGR, ensure that an amount equal to the depreciation charge is transferred from deferred income to the Statement of Financial Performance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| IAS 36 (AC 128) | Impairment of assets | Entire standard                                                                            | >                                       | Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that:  Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end;  Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft);  Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assessed remaining useful life is shorter than the remaining useful life on the printout);  Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.  Show that they are not performing according to their specifications or according to industry accepted norms.  Calculate and record impairment losses by determining the difference between the assert's carrying amount and its | The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time:  1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. 5) All disclosure requirements as required by IAS 36. |

| Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards       |                                                                                                     | 1 the fame A terms 3 (2) (2) (3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 4) An accounting policy note related to the accounting treatment of Intangible assets will need to be developed and disclosed. | 5) The municipality shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:  (a) The useful lives or the amortisation rates used: |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards | recoverable (service) amount where the recoverable amount is less than the asset's carrying amount. | 1) Ensure that all assets that meet the definition of an intangible asset and the recognition criteria for an asset are identified by scrutinising the FAR and capital purchases file.  2) Ensure that all intangible assets identified are measured initially at their cost price.  Examples of items which may meet the definition of an intangible asset in the municipal environment are:  The cost of the General Valuation Roll  A license fee for operating a tip site, where the fee grants to the municipality the right to operate the tip site for a period of longer than one year.  3) Ensure that the necessary procedures are put in place to ensure the proper accounting treatment of Intangible assets after initial recognition to deal with the accounting for subsequent expenditure, amortisation, review of useful lives of intangible assets and internally generated intangible assets. |                                                                                                                                |                                                                                                                                                                                                                                        |
| Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N                                                                                  |                                                                                                     | >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                |                                                                                                                                                                                                                                        |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                               |                                                                                                     | The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                |                                                                                                                                                                                                                                        |
| Standard title                                                                                                           |                                                                                                     | Intangible assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                |                                                                                                                                                                                                                                        |
| Std.<br>no.                                                                                                              |                                                                                                     | (AC 129)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                |                                                                                                                                                                                                                                        |

| plans that Extent to which information in the AFS would need achieve full to be adjusted to achieve compliance with the tandards exempted standards | (b) The amortisation methods used for intangible assets with finite useful lives; (c) The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; (d) The line item(s) of the Statement of Financial Performance in which any amortisation of intangible assets is included; (e) A reconciliation of the carrying amount at the beginning and end of the period showing; (i) Additions, indicating separately those from internal development, those acquired separately, and those acquired separately, and those combinations; (ii) Any amortisation recognised during the period; | The municipality shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period.  The municipality shall give a description of any fully amortised intangible asset that is still in use.  A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.  For intangible assets acquired by way of a government grant and initially recognised at fair value:  (i) The fair value initially recognised for these assets;  (iii) Their carrying amount; and  (iiii) Their carrying amount; and  (iiii) Their carrying amount; and |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Exe<br>mpti<br>on<br>Ado<br>Y/N                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Standard title                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Std.<br>no.                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Std.<br>no.     | Standard title                                     | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                               | Exe mpti s on Ado pted Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |                                                    |                                                                                                                          |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | acquisition of intangible assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1AS 39 (AC 133) | Financial instruments: recognition and measurement | Initially measuring financial assets and liabilities at fair value(IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06) | 3) 2) 1)                   | The municipality must study the applicable sections of IAS 39.  The fair values of these financial instruments will have to be determined, based on the type of financial instrument as per IAS 39.9.  Discounting of certain financial instruments will have to be performed if the discounted value differs materially from its cost/ face value.                                                                                                                                                                                                                                                                                                                                                                                                                      | The full initial measurement of financial assets and liabilities will have to be recalculated and corrected retrospectively, is practicable. The previous column gives an indication of the extent of adjustment for full compliance with IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 145 40 (AC 135) | Investment property                                | The entire standard to the extent that the property is accounted for in terms of GAMAP 17                                | 5) 4) 3) 5) 1)             | which property belonging to the municipality could have been registered in the past.  Perform a title deeds search using all these names mentioned in 1) above to identify all land and buildings under the control of the municipality.  Compare the results of the title deeds search to the Fixed Asset Register and the Valuation roll and adjust the FAR to reflect all land and buildings under the control of the municipality.  Value all land and buildings, which were previously not reflected on the FAR at fair value where historical cost prices and acquisition dates are unknown.  Identify and reclassify as Investment Property (IP) all land and buildings reflected on the updated FAR meeting the definition of Investment Property as per IAS 40. | The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Fair Value.  • The criteria developed by the municipality to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations;  • The methods and significant assumptions applied in determining the fair value of investment property.  • The extent to which the fair value of investment property is based on a valuation by an independent valuer.  • The amounts included in the statement of financial performance for:  (a) Rental revenue from investment property;  (b) Direct operating expenses arising from investment property that generated rental revenue during the period; and revenue during the period; and revenue during the period; and investment property that did not generate rental revenue increases in IP  • The existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and increases in IP |

| Std.<br>no. | Standard title | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007. | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                  | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------|----------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                |                                                                                            | Α.                                      | price less accumulated depreciation or Fair Value.  The surve that the necessary procedures are put in place to ensure the proper accounting treatment of IP after initial recognition to deal with the accounting for subsequent expenditure, disposal of IP, transfers of IP, Fair value increases etc. | Material contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements;     A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following     (a) Additions, disclosing separately those additions resulting from acquisitions and those resulting from acquisitions and those resulting from acquisitions and those resulting from acquisitions and those resulting from acquisitions and those resulting from acquisitions (b) Additions resulting from acquisitions through municipality combinations;     (c) Disposals;     (d) Net gains or losses from fair value adjustments;     (e) Transfers to and from inventories and owner-occupied property; and     (f) Other movements. |
|             |                |                                                                                            |                                         |                                                                                                                                                                                                                                                                                                           | The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Cost Price less accumulated depreciation.  If the municipality elects to reflect all of its investment properties at cost less accumulated depreciation, ensure disclosure in the AFS of the following information, in addition to any relevant information required by the disclosure requirements relating to IP at fair value as set out above:  The depreciation methods used;  The useful lives or the depreciation rates used;  The gross carrying amount and the accumulated depreciation (aggregated with accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period showing the Pollowing (comparative)                                   |

| Std.<br>no.           | Standard title        | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                                                                             | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                              | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                       |                                                                                                                                                                                                        |                                         |                                                                                                                                                                                                       | information is not required):  (i) Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalized subsequent expenditure;  (ii) Additions resulting from acquisitions through municipality combinations;  (iii) Disposals;  (iv) Depreciation;  (v) The amount of impairment losses reversed, during the period;  (vii) The net exchange differences arising on the translation of the financial statements of a foreign municipality;  (viii) Transfers to and from inventories and owner occupied property; and  (viii) Other movements; and  (viii) Other movements; and  (viii) Other movements; and  exceptional cases, when the municipality cannot determine the fair value of the investment property; eliably, the municipality should disclose:  (i) A description of the investment property;  (ii) An explanation of why fair value cannot be determined reliably; and  (iii) If possible, the range of estimates within which fair value is highly likely to lie. |
|                       |                       | Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i) – (iii)) | >-                                      | 1) Ensure that, even if IP is reflected at cost procedures are put in place to obtain the Fair Value of IP at each Balance Sheet date for inclusion in the notes to the AFS.                          | 1) The disclosure notes relating to IP would provide an indication of the Fair Value of IP which is carried at cost price less accumulated depreciation on the face of the Statement of Financial Position.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| IFRS 3<br>(AC<br>140) | Business combinations | Entire standard                                                                                                                                                                                        | >                                       | It is highly likely that the most relevant section of IAS 40 to the municipality is the accounting treatment of goodwill.     Any existing goodwill will have to be measured and accounted for by the | No adjustments will need to be made to the AFS as the municipality already fully complies with the relevant requirements of IFRS 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Std.<br>no.           | Standard title                                               | GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General notice 552 of 2007.                                                                               | Exe<br>mpti<br>on<br>Ado<br>pted<br>Y/N | Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       |                                                              |                                                                                                                                                                          |                                         | municipality in accordance with the requirements of IFRS 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (AC (AC 142)          | Non-current assets held for sale and discontinued operations | Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and 38 – 42) | >                                       | <ol> <li>Print-outs of the FAR per department must be made and distributed to the Heads of every department. The Heads of departments must scrutinise the FAR applicable to their department and identify assets that meet the criteria for noncurrent assets held for sale as set out by IFRS 5.6 to .11.</li> <li>The Heads of departments must return the departmental FAR, to the CFO and indicate the assets that meet the above mentioned criteria.</li> <li>CFO must ensure that every department returned the departmental-FAR and ensure that it has been signed-off as proof that it has been signed-off as proof that it has been reviewed.</li> <li>Scrutinise the fixed asset votes in the GL after year-end up to the date when the financial statements are prepared, to identify assets that are sold after year-end and meet the IFRS 5.6 to 11 requirements at year end. Ensure that these assets are classified as Non-current assets held for sale in accordance with IFRS 5 requirements.</li> </ol> | 1) Non Current Assets held for sale will no longer be recorded as part of PPE and will not necessarily be carried at cost less accumulated depreciation. 2) No current assets held for sale will be recorded as such as part of current assets and will be recorded at the lower of carrying amount and fair value less costs to sell. 3) Impairment losses in respect of non current assets held for sale will be recorded in the Statement of Financial Performance if such impairment losses exist. |
| IFRS 7<br>(AC<br>144) | Financial instruments:<br>disclosures                        | Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998        | >-                                      | All the applicable sections regarding the disclosure requirements relating to Financial instruments as set out in IFRS 7 are adhered to by the municipality, as IAS 32 includes the relevant disclosures that is required by IFRS 7.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | No adjustments will need to be made to the AFS as the municipality already fully complies with the relevant requirements of IFRS 7, due to compliance with IAS 32.                                                                                                                                                                                                                                                                                                                                     |

# **APPENDIX K**

# **GEORGE HOUSING ASSOCIATION**

(Association Incorporated Under Section 21)
(COMPANY REG. NO. 2006/011836/08)

ANNUAL FINANCIAL STATEMENTS

AT

30 JUNE 2007

# AT 30 JUNE 2007

| DIRECTORS          | J Horne SA Roux GR Pockpass L Mapolisa TV Burrows SF Barry CJ Wolmarans L Scholtz |                                     |
|--------------------|-----------------------------------------------------------------------------------|-------------------------------------|
| NATURE OF BUSINESS | Build dwelling houses or oth                                                      | ner residential accomodation        |
| AUDITORS           | Ernst & Young                                                                     |                                     |
| BANKERS            | Absa Bank Limited                                                                 |                                     |
| DOMICILE           | South Africa                                                                      |                                     |
| REGISTERED OFFICE  | 5 Somerset Street<br>Central<br>PORT ELIZABETH<br>6001<br>South Africa            | P O Box 12512<br>CENTRAHILL<br>6006 |
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# APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the board of directors on 31 August 2007 and are signed as such by :

| DIRECTOR |  | DIRECTOR |  |
|----------|--|----------|--|

#### REPORT OF THE DIRECTORS

#### FOR 15 MONTHS ENDED 30 JUNE 2007

#### **BUSINESS AND OPERATIONS**

The main object of the Company is to build dwelling houses or other residential accommodation or to purchase newly built dwelling houses or other newly built residential accommodation for accommodation or occupation by persons who are members of the general public who are current or future residents within the area of jurisdiction of the George Municipality, or to assist such persons to build dwelling houses for occupation by persons building such houses or to purchase newly built dwelling houses or other newly built residential accommodation for occupation by the persons purchasing such houses or accommodation.

#### **RESULTS OF OPERATIONS**

The financial results for the year under review are clearly reflected in these financial statements. The company earned a profit for the 15 months of R 3 585 793.

#### DATE OF INCORPORATION

The company was incorporated on 18 April 2006 and the current year therefore represents a period of 15 months.

#### **DIRECTORS AND SECRETARY**

Particulars of the present directors are given on page 1. The company has not appointed a secretary.

#### DEPARTURE FROM THE ACCOUNTING FRAMEWORK

The company does not determine residual values for each item of property, plant and equipment, does not determine estimated useful lives with reference to the period over which the assets are expected to be available for use and does not depreciate each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost, separately as required by International Accounting Standard, IAS16 "Property, plant and equipment". The directors have not quantified the effect of this departure.

#### **EVENTS SUBSEQUENT TO THE ACCOUNTING DATE**

No material fact or circumstance has occurred between the accounting date and the date of this report, other than those items already mentioned.

# **BALANCE SHEET**

# AT 30 JUNE 2007

|                                                       | Note    | 2007<br>R              |
|-------------------------------------------------------|---------|------------------------|
| ASSETS                                                |         |                        |
| NON-CURRENT ASSETS                                    |         |                        |
| Property, plant and equipment                         | 5       | 45 796                 |
| CURRENT ASSETS                                        |         | 3 540 312              |
| Trade and other receivables Cash and cash equivalents | 6<br>10 | 1 805 520<br>1 734 792 |
| TOTAL ASSETS                                          |         | R 3,586,108.00         |
|                                                       |         |                        |
| EQUITY AND LIABILITIES                                |         |                        |
| CAPITAL AND RESERVES                                  |         |                        |
| General fund                                          |         | 3 585 793              |
| CURRENT LIABILITIES                                   |         |                        |
| Trade and other payables                              |         | 315                    |
|                                                       |         |                        |
| TOTAL EQUITY AND LIABILITIES                          |         | R 3,586,108.00         |

# INCOME STATEMENT

# FOR THE 15 MONTHS ENDED 30 JUNE 2007

| Note | 2007<br>R   |
|------|-------------|
|      |             |
|      | 79 281      |
|      |             |
|      | 3 600 000   |
|      | R 3,679,281 |
|      | ( 93 488)   |
| 7    | R 3,585,793 |
|      |             |

# STATEMENT OF CHANGES IN EQUITY

# FOR THE 15 MONTHS ENDED 30 JUNE 2007

|                          | General Fund |
|--------------------------|--------------|
|                          | R            |
| Balance at 18 April 2006 | -            |
| Profit for the period    | 3 585 793    |
| Balance at 30 June 2007  | R 3,585,793  |

# **CASH FLOW STATEMENT**

# FOR THE 15 MONTHS ENDED 30 JUNE 2007

|                                                                          | Note | 2007<br>R           |
|--------------------------------------------------------------------------|------|---------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES                                |      | R 1,782,066         |
| Cash received from grant funding<br>Cash paid to suppliers and employees |      | 1 800 000<br>97 215 |
| Cash generated by operations                                             | 9    | 1 702 785           |
| Interest received                                                        |      | <br>79 281          |
| CASH OUTFLOW FROM INVESTING ACTIVITIES                                   |      | ( 47 274)           |
| Additions to property, plant and equipment                               | 5    | (R 47,274)          |
| NET INCREASE IN CASH AND CASH<br>EQUIVALENTS                             |      | 1 734 792           |
| CASH AND CASH EQUIVALENTS at beginning of period                         |      | -                   |
| CASH AND CASH EQUIVALENTS at end of year                                 | 10   | R 1,734,792         |

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### **AT 30 JUNE 2007**

#### 1. ASSOCIATION STATUS

The association is incorporated in terms of Section 21 of the Companies Act, 1973 and has 8 members. It is prohibited from distributing its surplus to members by way of dividend, bonus or otherwise.

#### 2. ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis in accordance with South African Statements of Generally Accepted Accounting Practice.

#### 2.1 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Subsequent expenditure relating to property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will flow to the entity and the cost can be reliably measured. The company does not recognise in the carrying amount of an item of property, plant and equipment, the costs of the day-to-day servicing.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Inferior equipment is written off in full in the year it is acquired. Surpluses or deficits on the disposal of assets are credited or charged to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

Depreciation is calculated on the straight-line basis at rates that are expected to reduce cost to estimated residual values over the useful lives of the assets as follows:

Furniture and fittings : 6 years Computer equipment and software : 5 years

#### 2.2 Impairments

The association assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### AT 30 JUNE 2007 (Continued)

#### 2. ACCOUNTING POLICIES (Continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried as cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

#### 2.3 Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables and trade payables.

Financial instruments are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

#### 2.3.1 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits with original maturity of six months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### 2.3.2 Trade and other receivables

Trade and other receivables originated by the association are stated at cost less provision for doubtful debts.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance is measured as the difference between the asset's carrying amount and the present value of future cash flows discounted at the effective interest rate computed at initial recognition.

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### AT 30 JUNE 2007 (Continued)

#### 2. ACCOUNTING POLICIES (Continued)

Receivables from related parties are recognised and carried at cost less provision for doubtful debts.

#### 2.3.3 Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30 90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

#### 2.3.4 Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### 2.3.5 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in profit or loss in the period in which the change arises.

#### 2.3.6 Derecognition of financial instruments

Financial assets are derecognised when the association loses control of the contractual rights that comprise the financial asset. An enterprise loses such control if it realises the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders those rights.

Financial liabilities are derecognised when they are extinguished – that is, when the obligation specified in the contract is discharged, cancelled, or expires.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### 2.4.1 Government grants

Government grants are recognised when there is reasonable assurance that the association will comply with the conditions (if any) attaching to them and that the grants will be received.

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### AT 30 JUNE 2007 (Continued)

#### 2. ACCOUNTING POLICIES (Continued)

#### 2.4.2 Interest income

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

#### 2.5 OPERATING LEASES

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease rentals, if any, are charged to income on a straight line basis over the terms of the underlying lease agreements.

#### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are discussed below:

 Assessment by management that the entity will comply with all conditions of grants and that the grants will be received.

#### 4. FUTURE CHANGES TO ACCOUNTING POLICIES

#### IAS 1 Presentation of Financial Statements - Capital Disclosures

The amendment to IAS 1 was issued in August 2005 and becomes effective for financial years beginning on or after 1 January 2007. The association will adopt this statement accordingly.

This amendment requires the association to make new disclosures to enable users of the financial statements to evaluate the company's objectives, policies and processes for managing capital. The adoption of this amendment will have no effect on the financial statements of the association but will result in additional disclosures.

#### IFRS 7 Financial Instruments: Disclosure

IFRS 7 was issued in August 2005 and becomes effective for financial years beginning on or after 1 January 2007. The association will adopt this statement accordingly.

IFRS 7 applies to all entities, including entities that have few and many financial instruments. The extent of disclosure required depends on the extent of the association's use of financial instruments and of its exposure to risk in the upcoming financial periods.

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### AT 30 JUNE 2007 (Continued)

#### 4. FUTURE CHANGES TO ACCOUNTING POLICIES (CONTINUED)

#### IFRIC 9 Reassessment of embedded Derivatives

IFRIC 9 was issued in March 2006, and becomes effective for financial years beginning on or after 1 June 2006. This interpretation establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. The company expects that adoption of this interpretation will have no impact on the financial statements when implemented in 2008.

# GEORGE HOUSING ASSOCIATION

# (Association incorporated under Section 21)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

# AT 30 JUNE 2007 (Continued)

|    |                                                                                     |                           |                                       | 2007<br>R          |
|----|-------------------------------------------------------------------------------------|---------------------------|---------------------------------------|--------------------|
| 5. | PROPERTY, PLANT AND EQUIPMENT                                                       | Ī                         |                                       |                    |
|    |                                                                                     | Furniture<br>and Fittings | Computer<br>equipment<br>and software | Total              |
|    | Cost<br>Accumulated depreciation                                                    | 39 325<br>( 219)          | 7 9 <b>4</b> 9<br>( 1 259)            | 47 274<br>( 1 478) |
|    | Net book value                                                                      | R 39,106                  | R 6,690                               | R 45,796           |
|    | Reconciled as follows :                                                             |                           |                                       | <del></del>        |
|    | Additions<br>Depreciation                                                           | 39 325<br>( 219)          | 7 949<br>( 1 259)                     | 47 274<br>( 1 478) |
|    | Balance at end of year                                                              | R 39,106                  | R 6,690                               | R 45,796           |
| 6. | TRADE AND OTHER RECEIVABLES                                                         |                           |                                       |                    |
|    | Rent deposit<br>George Municipality - Grant receivable                              |                           |                                       | 5 520<br>1 800 000 |
|    |                                                                                     |                           |                                       | R 1,805,520        |
| 7. | DISCLOSURE OF INCOME STATEMEN                                                       | NT ITEMS                  |                                       |                    |
|    | Profit for the period is stated after:                                              |                           |                                       |                    |
|    | EXPENDITURE                                                                         |                           |                                       |                    |
|    | Auditor's remuneration                                                              |                           |                                       | R 1,140            |
|    | - Audit fee<br>- Expenses                                                           |                           |                                       | -                  |
|    | - Other services                                                                    |                           |                                       | 1 140              |
|    | Directors' remuneration - Fees for service - None of the directors have service con |                           |                                       | 40 500             |
|    | Employee costs<br>- Salaries & wages                                                |                           |                                       | 3 960              |

1 478

Depreciation expense

2007 R

#### 8. TAXATION

Application has been made for exemption from taxation in terms of section 10(1)(cN) of the Income

The association complies with the requirements of section 10(1)(cN) and therefore anticipates that the exemption will be granted in terms of the request.

Accordingly no provision has been made for taxation.

#### 9. CASH GENERATED BY OPERATIONS

| Profit for the period Adjustments:                                                                                   | 3 585 793          |
|----------------------------------------------------------------------------------------------------------------------|--------------------|
| Depreciation                                                                                                         | 1 478              |
| Interest received                                                                                                    | (79 281)           |
|                                                                                                                      | 3 507 990          |
| Changes in working capital                                                                                           | (1 805 205)        |
| Decrease in trade and other receivables Increase in trade and other receivables Increase in trade and other payables | (1 805 520)<br>315 |
|                                                                                                                      | R 1,702,785        |

#### 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, call deposits and cash balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

| ABSA - Current account | 12 904      |
|------------------------|-------------|
| ABSA - Call Account    | 10 247      |
| ABSA - Fixed deposit   | 1 709 641   |
| Petty cash             | 2 000       |
|                        | R 1,734,792 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the association, and earn interest at the respective short-term deposit rates.

# GEORGE HOUSING ASSOCIATION (Association incorporated under Section 21)

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

# AT 30 JUNE 2007 (Continued)

#### 11. RELATED PARTIES

There are related party relationships between the association and George Municipality, the public entity making grants to the association.

Details of key management personnel compensation are set out in note 13.

|                                                                    | 2007<br>R |
|--------------------------------------------------------------------|-----------|
| Related party transactions George Municipality - Government grants | 3 600 000 |
| George Municipality - amount receivable                            | 1 800 000 |

#### 12. FINANCIAL INSTRUMENTS

#### Interest rate management

As part of the process of managing the association's interest rate risk, new and existing investments are positioned according to expected movements in interest rates.

#### Credit risk management

The association only deposits cash surpluses with major banks of high quality credit standing.

## Liquidity risk

The association has managed its illiquidity risk by ensuring that it has an effective cash management system in place.

#### Fair value

Set out below is a comparison by category of carrying amounts and fair values of all financial instruments.

|                             | Carrying<br>amount<br>2007<br>R | Fair               |  |
|-----------------------------|---------------------------------|--------------------|--|
|                             |                                 | Value<br>2007<br>R |  |
|                             |                                 |                    |  |
|                             |                                 |                    |  |
| Financial assets            |                                 |                    |  |
| Cash                        | 1 734 792                       | 1 734 792          |  |
| Trade and other receivables | 1 805 520                       | 1 805 520          |  |

#### Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk for the year ended 30 June 2007.

# GEORGE HOUSING ASSOCIATION (Association incorporated under Section 21)

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

# AT 30 JUNE 2007 (Continued)

|               | Within 1 year<br>2007 | Total<br>2007 |
|---------------|-----------------------|---------------|
|               | R                     | R             |
| Floating rate |                       |               |
| Cash assets   | 1 734 792             | 1 734 792     |
|               |                       | 2007          |
|               |                       | R             |

# 13. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Short term employee benefits paid to key management personnel

40 500

#### 14. COMMITMENTS AND CONTINGENCIES

The association leases the premises which it occupies. Future minimum rentals payable in terms of this operating lease at 30 June 2007 are as follows:

| Within one year            | 76 142  |
|----------------------------|---------|
| Between one and five years | 76 142  |
|                            | 152 284 |

#### 15. COMPARATIVE FIGURES

No comparatives have been presented as this is the first set of financial statements since incorporation of the association.

# SUPPLEMENTARY SCHEDULES NOT FORMING PART OF THE

#### AT 30 JUNE 2007

CONTENTS PAGE

Detailed income statement

19

The supplementary schedule set out on page 19 does not form part of the annual financial statements and is presented solely for the information of the members. Accordingly, we do not express an opinion on this schedule.

# **ERNST & YOUNG**

Registered Auditors

George 31 August 2007

# **DETAILED INCOME STATEMENT**

# FOR THE 15 MONTHS ENDED 30 JUNE 2007

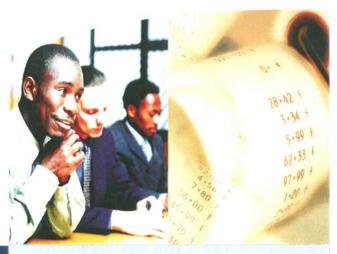
2007 R

|                                     | · |                     |
|-------------------------------------|---|---------------------|
| INCOME                              |   | R 3,679,281         |
| Government grants Interest received |   | 3 600 000<br>79 281 |
| EXPENDITURE                         |   | ( 93 488)           |
| Administrative expenses             |   | 6 888               |
| Auditor's remuneration              |   | 1 140               |
| Depreciation                        |   | 1 478               |
| Directors' remuneration             |   | 40 500              |
| Entertainment expenses              |   | 4 461               |
| Rent paid                           |   | 6 919               |
| Travel and accomodation             |   | 28 142              |
| Wages and salaries                  |   | 3 960               |
| Profit for the period               |   | R 3,585,793         |

# 5.2 THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS

PERFORMANCE MANAGEMENT MEASURES





REPORT OF THE
AUDITOR-GENERAL ON THE FINANCIAL
STATEMENTS AND PERFORMANCE
INFORMATION OF THE

GEORGE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007 REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GEORGE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

#### **REPORT ON THE FINANCIAL STATEMENTS**

#### Introduction

 I have audited the accompanying financial statements of the George Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 49.

# Responsibility of the accounting officer for the financial statements

- 2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

- As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
- 4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- 6. An audit also includes evaluating the:
- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements
- 7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by George Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
- 8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

 The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

# Basis for qualified opinion

#### Property, plant and equipment

10. Residual values

In terms of paragraph 56 of GAMAP 17: *Property, plant and equipment*, for items of property, plant and equipment that have significant residual values, these residual values must be subtracted from the cost of these items in order to determine the depreciable amounts of these items.

GAMAP 17 requires management to evaluate the residual values of assets initially when purchased. Management had not assessed the residual values of any items of property, plant and equipment amounting to R637m initially when purchased.

The effect of non-compliance with paragraph 56 of GAMAP 17 has not been quantified. Due to the above, depreciation and property, plant and equipment are possibly overstated and understated respectively.

#### 11. Capitalisation threshold

Management has expensed all items of property, plant and equipment with a value below R10 000 in accordance with the municipality's asset management policy. This policy resulted in the non-capitalisation of items that meet the asset definition and recognition criteria in GAMAP 17: *Property, plant and equipment.* 

As management had not performed an exercise to determine assets that should be capitalised in relation to transactions expensed amounting to R2.28m for the current year and R3.2m in relation to the prior year, the effect of non-compliance with GAMAP 17 could not be determined. Due to the above, expenses are overstated and property, plant and equipment are understated.

# Qualified opinion

12. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of George Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by National Treasury, as set out in accounting policy note 1 and in the manner required by the MFMA.

#### **Emphasis of matters**

I draw attention to the following matters:

#### Highlighting a matter affecting the financial statements

13. Unauthorised fruitless and wasteful expenditure

As disclosed in note 28 to the financial statements, fruitless and wasteful expenditure to the amount of R205 840 was incurred as a result of fraudulent activity perpetrated by an employee.

#### Basis of accounting

14. As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of General Notice 552 of 2007, issued in Government Gazette No. 30013 of 29 June 2007.

#### **OTHER MATTERS**

I draw attention to the following matters which are ancillary to my responsibilities on the audit of the financial statements:

## Non-compliance with applicable legislation

15. Reviews performed on the municipality's compliance with legislation revealed the following:

#### Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)

- Assets acquired in terms of a finance lease were not acquired in accordance with all the requirements of section 46 of the MFMA, which prescribes criteria relevant to incurring long-term debt.
- Management did not submit the annual financial statements to the Auditor-General for auditing within two months of year-end (31 August 2007) as required by section 126(1)(a) of the MFMA. The annual financial statements were submitted to the Auditor-General for auditing on 12 September 2007.
- Councillors were permitted to repay excessive benefits that were paid to them in error, over a period of six or seven months. The fact that the councillors were allowed to make repayments over an extended period of time and not immediately, constitutes a loan to a councillor which is contrary to the requirements of section 164(1)(c)(i) of the MFMA.
- Audit reviews for the current year revealed that the municipality had recently created a municipal entity called the George Housing Association. The financial statements of the municipal entity, as reflected in annexure K, have not been submitted to the Auditor-General for audit, contrary to section 126(2) of the MFMA.

#### Division of Revenue Act, 2006 (Act No. 2 of 2006)

 Management does not currently have a formal risk management plan in place as required by section 21 of the Division of Revenue Act.

#### Material corrections made to the financial statements submitted for audit

- 16. The financial statements, approved by the accounting officer and submitted for audit on 12 September 2007, have been significantly revised in respect of the following misstatements identified during the audit:
- Short-term deposits amounting to R285.7m (prior year: R217.2m) were incorrectly classified as investments instead of reflected as cash and cash equivalents, contrary to GRAP1.6.
- Doubtful debt expense amounting to R15.6m (prior year: R12.6m) was incorrectly netted off against revenue contrary to GAMAP 9.07.
- Deferred subsidy income amounting to R5.7m was incorrectly recognised as revenue in the current year, which should have been recognised in the prior year. This resulted in the overstatement of the current year surplus and the understatement of the prior year surplus by this amount.
- The provision for impairment of accounts receivable was provided exclusive of VAT, resulting in an understatement of the provision amounting to R4.4m with a corresponding overstatement of the VAT accrual.
- Misclassification of VAT receivable resulted in an understatement of the VAT receivable and an overstatement of other debtors amounting to R2.6m.
- Deferred income was incorrectly raised as a provision and utilised to subsidise staff training costs. This resulted in the staff training expense for the current

- year being understated by R907 000 and the prior year expense being understated by R1.01m.
- The leave pay provision and salary expense was increased by R2.6m when a difference was identified between the trial balance and supporting schedules for the leave pay provision, with the trial balance being understated.

### Value-for-money matters

17. An evaluation of human resource management at the municipality revealed that there is currently no formal documented human resources plan for the municipality. In addition, a centralised list of vacancies for the year under review relating to all divisions within the municipality had not been maintained.

#### Internal control

18. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies existed in more than one internal control component.

| Reporting item                                                      | Control environment | Assessment of risks | Control activities | Information and communication | Monitoring                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------|---------------------|---------------------|--------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basis of qua                                                        |                     |                     |                    |                               | The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s |
| Property,<br>plant and<br>equipment                                 | . ■                 |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Emphasis of r                                                       | natter              |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Fruitless and wasteful expenditure                                  |                     |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Applicable basis of accounting - departures and deviation           |                     |                     |                    | •                             | ,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Other matters                                                       |                     |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Non-<br>compliance<br>with<br>applicable<br>laws and<br>regulations |                     |                     |                    |                               | · <b>=</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Material corrections to the financial statements                    | •                   |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Value-for-<br>money<br>matters                                      | -                   |                     |                    |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

#### Unaudited supplementary schedules

19. The supplementary information set out on pages 50 to 110 does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

### OTHER REPORTING RESPONSIBILITIES

### Reporting on performance information

20. I was engaged to audit the performance information.

### Responsibilities of the accounting officer for performance information

21. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

### Responsibility of the Auditor-General

- 22. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007 and section 45 of the MSA.
- 23. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 24. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

### **Audit findings (performance information)**

### Performance information not received in time

25. I was not able to complete an evaluation of the annual performance report of the municipality as prepared by the municipality in terms of section 46 of the Municipal Systems Act (MSA) as it was not received in time.

# Non-compliance with regulatory requirements in respect of performance information

- 26. I reviewed the integrated development plan (IDP) and identified the following areas of non-compliance with the MSA:
- The municipality did not give notice to the public within 14 days of the adoption of the IDP plan by council, as required by section 25(4) of the MSA.
- The municipality has no formal written policy that describes the strategies and procedures to be followed regarding the implementation of the IDP, as required by section 38 of the MSA.

- No formal or approved performance management system is in place that fully complies with the regulations of the Municipal Planning and Performance Regulations 2001 and the MSA.
- The performance management report does not include a process of regular reporting to council (at least twice a year) and other political structures, political office bearers, staff, the public and appropriate organs of state, as required by the section 41 of the MSA.

## **APPRECIATION**

27. The assistance rendered by the staff of the George Municipality during the audit is sincerely appreciated.

anditor- General

Cape Town

12 December 2007



AUDITOR-GENERAL

# 5.3 COMMENTS ON THE AUDIT REPORT AND CORRECTIVE ACTION TAKEN

# REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE GEORGE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007 (5/15/1/1) LHF/mm

# A. PURPOSE

To consider the report of the Auditor-General (AG) on the Financial Statements of the George Municipality for the financial year ended 30 June 2007.

# B. BACKGROUND

The financial statements of the George Municipality for the year ended 30 June 2007 have been audited by the Auditor-General in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No.25 of 2004) and section 126(3) of the Municipal Finance Management Act (Act No.56 of 2003) (MFMA).

The audit report is attached marked Annexure "A".

## **B1. ADDRESSING THE 2005/6 QUALIFICATIONS**

Since George Municipality received a qualified audit report for 2005/6 an immense effort and volume of preparation was invested in the process and procedures involved in compiling the financial statements for the 2006/7 financial year!

Due to the fact that the main qualifications for 2005/6 were of a technical nature it was resolved that capacity be utilised from an external source and such a company was subsequently appointed during the latter part of the financial year. The appointment could only be finalised once the audit report was available and the supply chain processes concluded.

All processes and procedures were evaluated and divided into two categories namely Project G (GAMAP/GRAP) and Project P (Property, Plant and Equipment).

With the assistance of the external company project plans for both Projects were determined linked to specific milestones, reachable and non-reachable.

From the outset it was evident that all milestones would not be reachable for the 2006/7 financial year and that some processes would only be achievable during following periods and appeals from the majority of municipalities, George included, were made to National Government to exempt some of the processes and procedures to enable even the high capacity municipalities the opportunity to phase the new financial standards in over a reasonable period.

The reason for these requests was mainly based on the audit results for the majority of high capacity municipalities for 2005/6 where qualifications were unfairly based on technical issues.

# B2. GOVERNMENT GAZETTE No. 30013: EXEMPTIONS, DATED 29 JUNE 2007

On 29 June 2007 National Treasury promulgated Government Gazette NO. 30013 granted exemption to all municipalities on the implementation of some of the new financial standards.

Although welcomed by the majority of municipalities, the exemptions granted did not cover all the standards and some of the exemptions granted were "easier" to comply to than some of the exemptions not included in the Gazette!.

Lack of communication between the National Treasury, the Accountant General and the Auditor General also materialised and gave reason for a vast number of uncertain and unresolved issues.

With all this happening, the finalisation date of the preparation of the financial statements by municipalities as determined in the MFMA was not affected nor extended.

# B3. MFMA CIRCULAR No. 44, DATED 25 JULY 2007

On 25 July 2007 MFMA Circular 44: **Preparation of Annual Financial statements based on the Exemption Gazette 30013** was published.

The following extract regarding the process to be followed by high capacity municipalities assisted but in a way created more confusion:

### "High capacity municipalities

High capacity municipalities are expected to either:

- (a) take advantage of the total exemptions granted in the annexure to Gazette 30013 (provided that all conditions have been met); or
- (b) fully comply with the 2005/06 reporting requirements (i.e. use none of the available exemptions and apply all the effective GRAP, GAMAP and SA GAAP standards including any interpretation and relevant circulars issued by the Accounting Practices Board and SAICA);

Option (b) will be regarded as a deviation and must be dealt with as outlined in sub regulation 3(a) and 3(b) of the Gazette (also refer to the discussion on the deviation process below).

In instances where municipalities deviate in a partial manner and are implementing the standards that are being exempted, the municipality may request approval from the relevant treasury to continue with implementation of the selected standards. Any approval for deviation will be co-signed by the National Treasury. It is important

to mention that in exercising this option it may result in a different type of audit opinion. A municipality should therefore ensure that the consequences of an opinion, other than fair presentation, on the users to the financial statements are considered prior to application for deviation.

If any of the exemptions in the Annexure to the Gazette are not applicable due to the municipality or entity not having any transactions affected by the standards, then a deviation request for that standard is not necessary. For example, if a municipality is not involved in any contracting activities that fall within the scope of IAS 11 (AC 109), the municipality will not use the exemption and will not need to apply for any deviation."

And furthermore:

## "Process for applying for deviation and submission of implementation plans:

The process to be adopted for application by municipalities and entities for a deviation is as follows.

The contents of the application for deviation must contain:

- 1. The specific paragraph of a standard;
- 2. Clearly state whether it is partial or a full deviation being requested;
- 3. Briefly provide a motivation for the deviation, including the standards used for 2005/06 financial year;
- 4. The application to be signed by the Chief Finance Officer; and
- 5. The date that the deviation request and reasons for deviation will be tabled in Council.

A municipality or municipal entity must apply for any deviations by 31 July 2007 for the 2006/07 financial year in order to meet the strict timelines for confirmation in writing of approvals. This will include engagements with the provincial treasury to support the application. The deadline for finalising the request which includes the co-signature of the National Treasury is 15 August 2007. Kindly ensure that this is adhered to.

For further years, it is also important to note that early submission of requests for deviations to facilitate audit planning is necessary. This will assist the auditors in planning for the audit of the municipality or municipal entity.

Each municipality or municipal entity that has deviated from the exemptions or that has applied the exemptions must prepare a detailed implementation plan setting out its intended and actual progress towards complying with the exemptions or deviations. You are alerted to the reporting periods, namely 30 October 2007 and 31 March 2008 for submission of progress reports on implementation. The format of the implementation plan is annexed hereto as annexure A (for high capacity municipalities) and annexure B (medium and low capacity municipalities).

Please ensure that the request is emailed to <u>lindy.bodewig@treasury.gov.za</u> or faxed to 012 315 5568."

# **B4.** WESTERN CAPE TREASURY MEETING, DATED 26 JULY 2007

The Western Cape Provincial Treasury invited municipalities to attend a meeting on 26 July 2007 in Stellenbosch with officials from National Treasury to discuss concerns and questions raised by municipalities on the interpretation of the government gazette.

At this meeting anomalies were pointed out to the officials from National Treasury especially regarding standards not exempted, for example Residual Values, and the volume of effort involved in the implementation of this standard.

Amendments to the promulgated exemptions were requested by the attendees but up to date not granted.

# B5. GOVERNMENT NOTICE No. 522, DATED 30 JULY 2007

An additional interpretation and application document pertaining to Government Notice No 522 had been issued by National Treasury, titled "Application of accounting standards" dated 30 July 2007. The municipality, in conjunction with its GRAP consultants, had to revisit its interpretations regarding the exemptions in the Government Notice, as certain issues had been cleared by this application guidance.

# B6. GOVERNMENT DOCUMENT DATED, 17 AUGUST 2007

On 17 August 2007, National Treasury issued an additional document updating the previous application of accounting standards document issued on 30 July 2007. This latest document provides clarity on issues which should have been included in the initial guidance of 30 July 2007, as the initial document omitted certain fundamental interpretations, made only available on 17 August 2007 (e.g. the interpretation of purified water, not bought by the municipality, which forms part of water inventory, which had not been clearly explained in the first document from National Treasury issued 30 July 2007 and major adjustments to the municipality's accounting policies). This additional application guidance, issued too late in both the municipality and its GRAP consultants' opinion, caused additional work having to be performed and greatly contributed to the late submission of the annual financial statements to the Auditor-General.

# C. <u>MOTIVATION</u>

The aspects mentioned in the background section of this report were once again included into this report to indicate the "unfair" manner in which municipalities are placed under pressure by late submission of information from National Treasury.

Municipalities are requested to adhere to timelines stipulated by legislation but are confronted by the late submission of detailed information from National Treasury, same as in 2005/6!

The following comments are rendered on the aspects mentioned in the report:

# C1. BASIS FOR QUALIFIED OPINION

# C1.1 Property, plant and equipment

# (a) Paragraph 10: Residual values

As mentioned in the background section of this report, this was an aspect that was not exempted by National Treasury in the Government Gazette and due to the extent of the procedure that needed to be followed to adhere to this specific standard it was impossible to attain.

The administration included this aspect in the process of updating the detailed asset register in order to unbundle infrastructural assets.

Specific changes are also necessary to the software programs that are utilised for asset capitalisation and deprecation and this have already been requested from the software suppliers.

# (b) Paragraph 11: Capitalisation threshold

The utilization of a capitalization threshold is general practice at all municipalities with the main objective not to clutter the asset register with "assets" of a lesser value.

Management responded as follows to the initial audit communication:

"We are fully aware of the fact that the expenditure line item number 2914 includes items with a value of less than R10 000 that meet the definition of an asset.

As mentioned previously, Council's Asset Management Policy stipulates that if an item has a cost or fair value lower than the R10 000 capitalisation benchmark, it shall be treated and budgeted as an operating expense and not as an asset. The intention of not capitalising items below R10 000 is to prevent a cumbersome asset register.

We take note of your view that Council should review the policy and determine if the policy should be changed to comply with the applicable accounting standards – it must however be mentioned that no amount is mentioned......

The recommendation to assess the misstatement and adjust the financial statements can not be done as the MFMA section 17(2) states "An annual budget must generally be devided into a <u>capital</u> and an <u>operating</u> budget in accordance with international best practice, as may be prescribed" and section 19(1), "a municipality may spend money on a <u>capital</u> project only if – (b) the project, including the total cost, has been approved by the Council".

This policy stipulation has been in operation for years and to expect the administration to perform an exercise only for 2006/7 is not making any sense.

Management received this audit communication on 12 October 2007 out of the blue after applying this policy for years and requested that this issue not be

regarded as a qualification matter but rather as a matter of emphasis to enable management the opportunity to investigate the implementation of the communication, obtain approval to amend the asset management policy etc.

The Auditor-General was not prepared to consider this request.

The implementation is currently investigated and a report will be submitted to the relevant committee in due course.

# C2. QUALIFIED OPINION

Taking the two specific aspects mentioned by the Auditor-General in the report that warranted a qualified opinion into consideration, it remains a fact that these two aspects have no impact in the fact that the municipality can be regarded as an excellent going concern and that these two aspects once again have no influence on the financial results achieved for 2006/7.

# C3. EMPHASIS OF MATTERS

# C3.1 <u>Highlighting a matter affecting the financial statements</u>

# (a) Paragraph 13: Unauthorised fruitless and wasteful expenditure

The fact that internal controls were not efficient in the specific instance, that the matter was investigated and procedures to be implemented to avoid further instances, must be noted.

That this aspect should be mentioned in the audit report is supported. To however regard this aspect to be highlighted as a matter affecting the financial statements can not be supported as there is no manner in which an amount of R205 840 can have a material effect on a statement of financial position amounting to R1 billion or on a statement of financial performance amounting to R600 million!

# C4. OTHER MATTERS

## C4.1 Non-compliance with applicable legislation

# (a) Paragraph15: Municipal Finance Management Act

Finance leases and the procedure stipulated in section 46 on the MFMA: It was mentioned to the AG that management concur with the fact that section 46 was not fully applied in the case of all financial leases, mainly due to the fact that the financial leases referred to are of a minimal value and also that the financial implication involved will not have a material affect on the ratepayers. These leases will be included in the main process when all long term borrowings are dealt with in accordance with section 46.

- ❖ Late submission of financial statements as required by section 126(1) of the MFMA: The reasons for the late submission of the financial statements to the AG, 7 working days, were already mentioned in detail earlier in the report. It should be noted that management have performed excellent to achieve this date taking into consideration the late submission of the exemptions and the subsequent late submission of clarity documents from the Accountant-General, National Treasury and the Auditor-General. Management remain positive to achieve the stipulated date in future.
- ❖ Loans to Councillors: Management does not support the opinion that the process that was followed constituted a loan. This matter was explained to the AG and Council as follows:

"I can not concur / agree with the statement that the monthly instalments be regarded as a loan.

To a definite regard there are mitigating circumstances in the George Municipality scenario.

Where the Council resolved to apply the adjustment to salaries and allowances whilst ignoring a critical requirement of the Remuneration of Public Office Bearers Act, the once-off repayment of overpayment may be justified.

Where an overpayment was made to a councillor by the administration based on a bona-fide misinterpretation of the Government Notice, without the notice of the councillor, the once-off recovery of the overpayment can not be supported. It is unconstitutional, unreasonable and unfair!

It can also not be regarded as a loan as no advance of money was made with the clear intent to recover the money with instalments at a later stage.

The municipality applies the same policy with regard to officials in instances of overpayments. Where the municipality erroneously under reads a water meter, or any tariff error is made by the administration, leading to an increased account rendered to the consumer, the same policy applies, whereby the consumer is allowed the opportunity to pay (not repay!!) the amount in instalments.

Usually over the same length of period the error occurred."

Municipal entity – George Housing Association (GHA): Management is of the opinion that the establishment of the GHA did not constitute the establishment of a municipal entity. The internal auditor of the municipality was requested to address this issue and due to the volume of the response, the following only represents an extract:

"It was never the intention that the GHA be regarded as a Municipal entity in terms of S84 of the MFMA and it was accordingly not established as such.

GHA was established as a company incorporated under section 21 of the Companies Act. The rationale for formation of the company was to create an entity to respond to a need for affordable housing for lower and middle income groups in the Municipal area for which funding is not provided by the State. Chapter 6 of the Housing Code encourages the formation of Social Housing Institutions.

Funds paid to the GHA are regarded as grants in aid for which no specific conditions were attached. The intention is that the GHA becomes self sustaining as soon as possible and not dependent on grants in aid. The spirit of the relationship between GHA and George Municipality is that GHA services the needs of people residing in the Municipal area.

Research has shown that Social Housing Foundations can become self sustaining once they have acquired a certain minimum number of units.

Consideration is however being given to the possibility of converting the GHA to a Municipal Entity in the future in order to address restrictions which currently preclude the transfer of Municipal owned land to the GHA.

### **CONSOLIDATION AT 30 JUNE 2006**

While the articles of association do provide that the Mayoral committee of the George Municipality may appoint the majority of the directors of the GHA and can remove such directors it should be noted that it was never the intention that this should serve to retain "control" over the entity.

It can be noted in this regard that the directors of the company are not officials or Councilors of the Municipality. The Municipality did in fact advertise the positions of directors seeking independent directors with appropriate professional qualifications to serve the GHA. The positions were filled accordingly and the GHA therefore operates autonomously from the Council, i.e. the Council does not control the GHA.

From a technical perspective in terms of the relevant accounting standard (IAS27) it could be argued that the GHA should have been consolidated at 30 June 2006. This would be regardless of whether or not GHA is regarded as a Municipal Entity as defined. There was no exemption from the consolidation requirement issued by the National Treasury which applied at 30 June 2006.

The reason for this is that the applicable Accounting Standard (IAS27: Consolidated and Separate Financial Statements) provides that where control by a "parent" over a "subsidiary" entity exists, the "parent" is required to consolidate the "subsidiary" entity.

"Control" is defined as the "power to govern the financial and operating policies of an entity so as to obtain benefits from its activities". The Municipality (through the Mayoral Committee) may technically be deemed to control the GHA as it has the power to appoint and dismiss the majority of its directors.

It must be stressed that this technical interpretation ignores the following realities relating to the operation of the GHA:

i) The Section 21 status of the entity in terms of which it cannot distribute its net assets by way of dividend, other than on dissolution, and only to another entity which has the same aims and objectives;

- ii) The fact that while the Mayoral Committee does appoint the majority of the Directors and has the power to remove such directors, appointees to the Board are not Councillors or Municipal Officials.
- iii) The positions of directors were advertised publicly. The positions were filled based on the applications submitted. The Municipality does not therefore in substance exercise control over the GHA.
- iv) The Municipality does not factually participate in the management of the GHA.

This therefore appears to be a situation where the principle of "substance over form" may not apply due to the strict interpretation of the accounting standard.

The Municipality does not seek to retain control over the GHA and will consider requesting the GHA management to amend the articles of association so as to exclude the power to appoint and remove the majority of the Directors. This would however be done in conjunction with the future joint deliberations with the GHA as to whether or not to reconstitute it as a Municipal Entity to enable it to acquire Municipal Land from the Municipality.

### MUNICIPAL ENITITY

The following legal aspects with regard to classification as a Municipal Entity should be noted:

- 1. Establishment GHA has not been established in terms of Section 84 of the MFMA.
- 2. Legal form of the GHA GHA is a company established in terms of S21 of the Companies Act.
- 3. Objects and powers of the GHA Per the memorandum of association:

"The main object of the Company is to build dwelling houses or other residential accommodation or to purchase newly built dwelling houses or other newly built residential accommodation for accommodation or occupation by persons who are members of the general public who are current or future residents within the area of jurisdiction of the George Municipality, or to assist such persons to build dwelling houses for occupation by persons building such houses or to purchase newly built dwelling houses or other newly built residential accommodation for occupation by the persons purchasing such houses or accommodation".

- 4. De facto control over GHA Articles of association provide as follows: (not included)
- 5. Definition of Municipal entity in the MSA The definition is set out below. On further analysis of the definitions of "private company," "service utility" and on analysis of the powers and functions assigned to Municipalities in terms of the Constitution it does not appear that GHA would fall within the definition of "Municipal Entity".

- 6. Definition of private company in the MSA GHA is not a private company as defined.
- 7. Definition of service utility in the MSA GHA does not appear to be a service utility as defined. It has not been established in terms of Section 86H of the MSA.
- 8. Functions and powers of Municipalities in terms of the MSA Cross reference is made in section 8 of the MSA to functions and powers assigned in terms of the Constitution.
- 9. Functions and powers of Municipalities in terms of the Constitution With reference to S156 and Schedule 4 Part B and Schedule 5 Part B of the Constitution the business to be conducted by the GHA does not appear to be a Municipal Function. The business to be conducted does not appear to be a matter assigned by Provincial Legislation."

# (b) <u>Division of Revenue Act (DORA):</u>

It was pointed out to the AG that the municipality have a risk management plan for the municipality. It must however be agreed that this plan does not address all the requirements of DORA and that this plan will be reviewed and amended prior to June 2008.

# C4.2 <u>Paragraph 16: Material corrections made to the financial statements submitted for audit</u>

The corrections were made mainly due to the implementation of new standards by the municipality during 2006/7, the implementation of the exemptions issued and clarity issues that had to be resolved with the AG.

As mentioned earlier in the report the AG did not convey their interpretation of the exemptions prior to the compilation of the financial statements and where there were differences these corrections addressed most of these different applications.

# C4.3 <u>Paragraph 17: Value for money matters: Human Resource</u> <u>Management</u>

The opinion of the AG is noted and the Municipal Manager approved the establishment of a Human Resource Steering Committee of which the terms of reference are currently determined. This issue will be included in the terms of reference of the committee.

# C4.4 Paragraph 18: Internal control

This section of the AG report reflects a tabular view of the matters mentioned in the report and will be addressed by management as indicated.

### C5. OTHER REPORTING RESPONSIBILITIES

# **C5.1** Audit findings (Performance information)

# (a) Paragraph 25: Performance information not received in time

It was pointed out to the AG by management that at the time of their request the information requested was not the final information due to the corrections that still had to be incorporated in the financial statements. It was also pointed out that the performance indicators in their final format will be included into the Annual Report for 2006/7.

# (b) Paragraph 26: Non-compliance with regulatory requirements in respect of performance information

Notice of adoption of the IDP: A formal notification was not given to the public through a publication in the George Herald and will this matter receive attention in the current financial year.

# **❖** Formal policy regarding as required by Section 38 of the MSA:

Although there is no formal Performance Management System in place the Municipality however does have an SDBIP in place which tracks the implementation of Key Performance Indicators linked to Key Performance Areas which is derived from the IDP. There is also a formal reporting system regarding the Key Performance Areas of each directorate through the Performance Measurement and Assessment of Individual Directors.

# **Lack of performance management system:**

The Municipal Manager commented as follows: Tenders were invited from service providers for the establishment of a PMS system for the George Municipality. What was however offered by the two tenderers did not meet the requirements of the Municipality and it was decided to readvertise.

However, during a presentation by Cape Wine lands District Council of their own PMS and their offer to us to utilize their product, the tender route was thus not followed.

It was agreed to "purchase" the Cape Wine lands product for immediate implementation. Due to some administrative red tape the implementation was unduly delayed.

The information at my disposal is that the matter will be tabled only at the March 2008 Council meeting of Cape Wine lands District Council.

The Strategic Unit has however done the following foundation work during the past financial year:

- Site visits to both eThekwini Municipality and Cape Wine lands District Municipality with a comprehensive report submitted to the Municipal Manager on the way forward.
- Establishment of a Performance Management Task Team
   Draft Policy Document for the Performance Management System

Reporting system as required by section 41 of the MSA: This aspect will be addressed in the current financial year.

## D CONCLUSION

This report is the result of the excellent effort of all role players involved in the financial management of the municipality. The effort will fortunately not subside in commitment and neither will the challenges.

All officials from the Directorate Financial Services and parties involved in Projects G and P deserve a word of sincere appreciation for their unselfish commitment, especially the Manager Financial Statements.

For the management the compilation of the financial statements for 2006/7 was surely a strenuous experience mainly based on the fact that the exemptions and subsequent clarifications were issued on a very late stage of the process, that the interpretation of the exemptions and the financial standards often differed between the AG and management and that where changes were required in order to endeavour to fully comply with the exemptions and standards these changes were mostly involving time-consuming administrative processes.

Its is however accepted that the preparation of financial statements in the municipal sphere will in future be a continuous process involving all financial and budgetary considerations during the financial year.

Section 131 of the MFMA stipulates as follows:

# "Issues raised by Auditor-General in audit reports

- **131.** (1) A municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection.
  - (2) The MEC for local government in the province must—
    - (a) assess all annual financial statements of municipalities in the province, the audit reports on such statements and any responses of municipalities to such audit reports, and determine whether municipalities have adequately addressed any issues raised by the Auditor-General in audit reports; and
    - (b) report to the provincial legislature any omission by a municipality to adequately address those issues within 60 days."

Even though most of the issues raised in the AG report are of a technical nature and mainly "frame of mind" issues, controls and procedures will be implemented to address the specific issues where possible in the current financial year.

# **E RECOMMENDATION**

- (a) that the report of the Auditor-General, read in conjunction with the comments of the Chief Financial Officer, be noted; [FD]
- (b) that the controls and procedures outlined in the report be implemented to address the specific aspects; [ALL DIRECTORATES]
- (c) that the stipulations outlined in section 131 of the MFMA be executed. [FD]

# 5.4 COMMENTS ON THE AUDITOR GENERAL'S REPORT: AUDIT COMMITTEE

# REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 June 2007.

### RESPONSIBILITY

The George Municipality has constituted its audit committee to function in terms of the provisions of Section 166 of the Municipal Finance Management Act, 2003 (MFMA) and to fulfil the functions of a performance management audit committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

### COMPOSITION OF THE AUDIT COMMITTEE

The audit committee comprises of six members including five independent members and the Municipal Manager as accounting officer of the Municipality. The committee is chaired by an independent member. The Director: Finance and the Head of the Internal Audit assist the Committee in an advisory and reporting capacity. Both the internal and external auditors have unrestricted access to the Audit Committee, which ensures that their independence is in no way impaired. The audit committee consisted of the following members as at 30 June 2007:

- 1. Ms. A. Potgieter (Chairperson)
- 2. Mr. F.J. Janse van Rensburg
- 3. Ms. B. Bam
- 4. Mr. W. Motha
- 5. Mr. P. Wicht
- 6. Mr. C.M. Africa (Municipal Manager)

### TERMS OF REFERENCE

The Committee is constituted in terms of the requirements of sound corporate governance practices and operates in accordance with a written charter confirmed by the Municipal Manager. The charter incorporates the specific requirements of section 166 of the MFMA.

# **ACTIVITIES**

The Audit Committee has met seven times during the financial year ended 30 June 2007 and has carried out the following functions in terms of its charter:

- 1. Reviewed and approved the audit committee and internal audit charters.
- 2. Reviewed and approved the rolling and annual internal audit plans including the definition of unit units, audit universe, and prioritization of audit coverage taking into account the outputs of the risk assessments performed.
- 3. Reviewed executive summaries of internal audit reports issued.

4. Reviewed the annual financial statements at 30 June 2007, the Report of the Auditor-General on the annual financial statements, the report of the Auditor-General on performance information, and the management letter issued by the Auditor-General.

### FINDINGS AND RECOMMENDATIONS

### Annual financial statements

Based on inquiries of management, our review of the annual financial statements and of the Report of the Auditor-General we consider that the annual financial statements provide a fair representation of the municipality's financial position and results of operations subject to the qualifications raised in the Report of the Auditor-General. We also consider that the Municipality can be regarded as a going concern.

# **Performance Management**

Based on inquiries of management we have noted that while a draft framework for the performance management system (PMS) has been developed, no PMS was in place during the year ended 30 June 2007. Management, however, is in the process of acquiring a PMS and implementation on a senior management level has already started taking place.

### Recommendations

The committee has taken note of the recommendations issued by both internal and external auditors during the year under review and encourages management to implement these recommendations, prioritizing those relating to risk management, property, plant and equipment, internal controls, compliance with applicable legislation and performance measurement.

### CONCLUSION

The committee acknowledges that the environment within which management is operating is difficult given the volume, nature, complexity and extent of changes required to existing accounting practices, systems, policies and procedures and extends its congratulations to management for their efforts and achievements under difficult circumstances.

A POTGIETER – CHAIRPERSON

25 January 2008

# 5.5 MINUTES OF SPECIAL COUNCIL MEETING

# ANNUAL REPORT: 2006/2007 FINANCIAL YEAR (9/1/1) CHARLES FORD

# <u>PURPOSE</u>

To table and approve the draft Annual Report for the 2006/2007 financial year in terms of Section 127(2) of the Local Government: Municipal Finance Management Act, 2003 (MFMA, Act 56 of 2003).

# **BACKGROUND**

In terms of sec 127(2) of the MFMA, the mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality. Sections 121(1) and 129(1), respectively, states that "the Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality ... and by no later than two months from the date on which the annual report was tabled in council in terms of section 127, adopt an oversight report containing the council's comments on the annual report ..."

The purpose of an annual report (MFMA, sec 121) is:

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Immediately after an annual report is tabled in the council (*MFMA*, sec 127(5)), the Municipal Manager must:

- (a) in accordance with section 21A of the Municipal Systems Act:
  - (i) make public the annual report;
  - (ii) invite the local community to submit representations in connection with the annual report; and
  - (iii) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

Attached as Annexure "A" is the draft 2006/2007 Annual Report of George Municipality.

# **OPSOMMING**

In terme van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003), moet die Uitvoerende Burgemeester 'n Jaarverslag aan die Raad voorlê binne sewe maande na die sluiting van 'n munisipaliteit se finansiële jaar. In terme van artikel 121(1) van bogenoemde Wet, moet 'n Raad binne 9 maande na die sluiting van sy finansiële jaar 'n verslag met aanbevelings ten opsigte van sodanige Jaarverslag voorlê.

Aangeheg as Bylae "A" tot die agenda is die konsep 2006/2007 Jaarverslag van George Munisipaliteit.

# **ISISHWANKATHELO**

Ngokwezigqibo zeSenzo sikaRhulumente WaseKhaya: ULawulo LweMali kaMasipala, 2003 (Isenzo 56 sika 2003) kufuneka uSodolophu weSebe LoMbuso eliLawulayo abeke phambi kweBhunga Ingxelo Yonyaka phakathi kweenyanga ezisixhenxe emveni kokuvalwa konyaka-mali kaMasipala. Ngokwesigqibo seCandelo 121(1) kunye ne 129(1) lesi Senzo sikhankanywe ngentla apha, kufuneka iBhunga lika Masipala phakathi kweenyanga ezili 9 emveni kokuvalwa konyaka-mali libeke phambili loo ngxelo yonyaka kamasipala inamacebo.

Okudityaniswe njengesihlomelelo "A" kwisicwangciso-nkqubo luyilo 2006/2007 lwe Ngxelo Yonyaka kaMasipala waseGeorge.

### **AANBEVELING**

- (a) dat die konsep Jaarverslag deur die Raad goedgekeur word (sonder voorbehoud) vir die 2006/2007 finansiële jaar, aangeheg as bylae "A" tot die agenda;
- (b) dat die konsep Jaarverslag aan die publiek bekend gestel word;
- (c) dat die Plaaslike Gemeenskap genooi word om kommentaar te lewer oor die konsep Jaarverslag;
- (d) dat die konsep Jaarverslag voorgelê word vir kommentaar aan:
  - (i) Die Ouditeursgeneraal
  - (ii) Provinsiale Tesourier
  - (iii) Provinsiale Departement van Plaaslike Regering en Behuising;
- (e) dat die konsep Jaarverslag na die Oorsigkomitee verwys word om die Oorsigverslag binne twee maande te finaliseer;
- (f) dat die Oorsigverslag na die Raad verwys word vir goedkeuring en publikasie;

- (g) dat kennis geneem word van die verslag van die Ouditeur-Generaal, saamgelees met die kommentaar van die Hoof Finansiële Beampte en die kommentaar van die Ouditkomitee;
- (h) dat die beheermaatreëls en die prosedures soos vervat in die verslag geïmplementeer word ten einde die spesifieke aspekte aan te spreek;
- (i) dat die bepalings soos vervat in artikel 131 van die MFMA geïmplementeer word.

# **AMACEBISO**

- (a) kukuba, Bhunga liyamkele Ingxelo YoNyaka eyiliweyo (ngaphandle koxhomekeko) kanyaka- mali u 2006/2007 edityanisiweyo kwisicwangciso- nkqubo njengesihlomelelo" A";
- (b) kukuba le Ngxelo Yonyaka iyiliweyo yaziswe kuwonke- wonke;
- (c) kukuba abahlali bale ndawo bamenywe ukuba benze ummelo kule Ngxelo Yonyaka iyiliweyo ;
- (d) kukuba le Ngxelo Yonyaka iyiliweyo ingeniselwe izimvo-
  - (i) ku Mphicothi zincwadi zemali jikelele
  - (ii) kwindawo ekuqcinwa kuyo imali ye Phondo
  - (iii) isebe Le Phondo likaRhulumente WaseKhaya kunye Nezindlu
- (e) kukuba le Ngxelo Yonyaka iyiliweyo ibhekiswe kwiKomiti yoBongameli igqibezele Ingxelo yo Bongameli phakathi kweenyanga ezimbini.;
- (f) kukuba le Ngxelo yoBongameli ingeniswe kwiBhunga ukuze ivunywe kwaye yaziswe.
- (g) Kukuba ingxelo yoMphicothi-zincwadi zemali jikelele efundwe ngokudityaniswa kunye nezimvo zeGosa eliyiNtloko le Zemali, kunye nezimvo zeKomiti yabaPhicothi-bezimali, iqatshelwe;
- (h) Kukuba ulawulo kunye neenkqubo eziyiliweyo kule ngxelo ziphunyezelwe ukuzixakekisa ngemiba eyodwa;
- (i) Kukuba izigqibo eziyiliweyo kwicandelo 131 le MFM zezinziwe.

### RECOMMENDATION

- (a) that Council approves the draft Annual Report (without reservations) for the 2006/2007 financial year attached as annexure "A" to the agenda;
- (b) that the draft Annual Report be made public;

[CORP]

- (c) that the Local Community be invited to make representations on the draft Annual Report; [CORP]
- (d) that the draft Annual Report be submitted for comment to: [FD;BB]
  - (i) The Auditor General
  - (ii) Provincial Treasury
  - (iii) Provincial Department of Local Government & Housing;
- (e) that the draft Annual Report be referred to the Oversight Committee to finalise the Oversight Report within two months; [CORP]
- (f) that the Oversight Report be submitted to Council for approval and publication; [CORP]
- (g) that the report of the Auditor-General, read in conjunction with the comments of the Chief Financial Officer and the comments of the Audit Committee, be noted;
   [FD]
- (h) that the controls and procedures outlined in the report be implemented to address the specific aspects; [ALL DIRECTORATES]
- (i) that the stipulations outlined in section 131 of the MFMA be executed. **[FD]**

# **RESOLVED**

- (a) that the draft Annual Report for the 2006/2007 financial year attached as annexure "A" to the agenda be approved;
- (b) that the draft Annual Report be made public; [CORP]
- (c) that the Local Community be invited to make representations on the draft Annual Report; [CORP]
- (d) that the draft Annual Report be submitted for comment to: [FD;BB]
  - (i) The Auditor General
  - (ii) Provincial Treasury
  - (iii) Provincial Department of Local Government & Housing;
- (e) that the draft Annual Report be referred to the Oversight Committee to finalise the Oversight Report within two months; [CORP]
- (f) that the Oversight Report be submitted to Council for approval and publication; [CORP]
- (g) that the report of the Auditor-General, read in conjunction with the comments of the Chief Financial Officer and the comments of the Audit Committee, be noted:
- (h) that the controls and procedures outlined in the report be implemented to address the specific aspects; [ALL DIRECTORATES]

| (i) | that the stipulations outlined in section 131 of the MFMA be executed. | [FD] |
|-----|------------------------------------------------------------------------|------|
| The | meeting closed at 11:02.                                               |      |
| COI | NFIRMED                                                                |      |
|     |                                                                        |      |
|     | VON BRANDIS<br>EAKER                                                   |      |
| DA  | ΓΕ                                                                     |      |

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